



April 28, 2026

2nd/3rd Tuesday - Workshop

8:30 a.m.	Executive Session
9:00 a.m.	Presentation Period
12:00 p.m.	Lunch
1:00 p.m.	Internal Recognition
1:30 p.m.	Presentation Period
3:30 p.m.	Business Review a. Review of Agenda items



Materials

Grantpud.org/commission-meetings

4th Tuesday – Business Meeting

8:30 a.m.	Executive Session
9:00 a.m.	Administration Voucher Calendar
9:30 a.m.	Reporting
11:00 a.m.	Business Review
12:00 p.m.	Lunch
1:00 p.m.	Business Meeting: a. Pledge of Allegiance, Attendance b. Round Table-Trade Association, Correspondence, Public Requests c. Consent Agenda d. Approval of Vouchers e. Meeting minutes f. Agenda Items
2:30 p.m.	Commission Period
3:30 p.m.	Commission Planning Period

Workshop – Business Review

Resolution XXXX – Authorizing the Acquisition by Condemnation of an Easement on Certain Real Property.

Motion xxxx - Authorizing the General Manager/CEO, on behalf of Grant PUD, to approve agreement in Grant PUDs Participation in the Mid-C Geothermal Interlocal Cooperative Agreement authorizing up to \$7.3 million for Phases 1-3.

Business Meeting – Agenda Items

Resolution 9118 – Establishing an Open Access Transmission Tariff.

Resolution 9119 – Amending Rate Schedule No. 32, Wholesale Point-to-Point Transmission Service, and Rate Schedule No. 33, Wholesale Ancillary Services.

Resolution 9120 – Accepting a Bid and Awarding Contract 130-12856HR, for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion – REBID.

Resolution 9121 – Collective Bargaining Agreement

Resolution 9122 – Amending Grant PUD's Cross-Connection Control Program

Adjournment

CONSENT AGENDA

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

March 24, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 971096181# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

An executive session was announced at 8:25 a.m. to last until 8:55 a.m. to discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission convened to review vouchers and preview correspondence.

The Commission calendar was reviewed.

The Commission recessed at 9:27 a.m.

The Commission resumed at 9:34 a.m.

Bonnie Overfield, Vice President of Finance, Angelina Johnson, Senior Manager of Treasury, and Bryndon Ecklund, Manager of Forecasting and Planning, presented the Financial/Organization Performance Report.

The Commission recessed at 10:24 a.m.

The Commission resumed at 10:33 a.m.

The Commission engaged in a Business Review period.

An executive session was announced at 10:55 a.m. to last until 12:00 p.m. to discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission attended a lunch with Grant County Commissioners.

The following public addressed the Commission:

- Roger Sonnichsen- OATT public comment
- Sandra Marcusen, Quincy, Washington – Route 4B
- Darrin Reynolds, Quincy, Washington – Route 4B
- Lisa Marcusen, Mattawa, Washington- Route 4B
- Annie Gakhokidze, student from the University of Washington (Via Teams) – Route 4B
- Lauren Redfield, Seattle, Washington (Via Teams)- Route 4B

A round table discussion was held regarding the following topics: WPUA updates; Energy Northwest updates, Sunland Estates shoreline update.

Trade association and committee reports were reviewed.

Correspondence was reviewed to include:

- Crescent Bar Golf Course comments
- Customer request for Commission contact
- Wanapum to Mt. View Transmission Line comments

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

Payment Number	163210	through	164869	\$91,326,709.29
Payroll Direct Deposit	30257	through	33022	\$9,319,015.10
Payroll Tax and Garnishments	20260219A	through	20260318B	\$4,180,529.89

Business Minutes from:

- January 27, 2026 Commission Meeting
- February 17, 2026, Business Workshop/Meeting
- March 10, 2026, Commission Workshop
- March 17, Commission Workshop

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

Resolution No. 9116 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Cox to approve Resolution No. 9116. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9116

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-13006H, FOR DOCK CREW 2026-2028

Recitals

1. Bids were publicly opened on January 29, 2026 for Contract 130-13006H, for Dock Crew 2026-2028;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;

- Palouse Power, LLC \$18,673,494.01
- Jaco Power Services \$20,427,351.50 – Technically Disqualified
- Henkels and McCoy \$21,074,257.80
- Olympic Electric \$21,548,919.50
- Potelco, Inc. \$21,920,249.63
- International Line Builders \$22,628,310.80
- Ward Electric \$27,323,536.30 – Commercially Disqualified
- Wilson Construction \$30,118,383.00
- Michel's Pacific Energy \$30,811,347.10

- Asplundh Construction \$33,328,821.80

3. The low bid, submitted by Palouse Power, LLC is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$26,847,747.77; and
5. Grant PUD's Senior Manager of Power Delivery Construction and Maintenance and Vice President of Power Delivery concur with staff and recommend award to Palouse Power, LLC as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 130-13006H, for Dock Crew 2026-2028 with Palouse Power, LLC of Quincy, Washington in the amount of \$18,673,494.01 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 24th day of March, 2026.

Resolution No. 9117 relative to condemnation of easements on certain real property was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Wilson to approve Resolution No. 9117. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9117

A RESOLUTION AUTHORIZING THE ACQUISITION BY CONDEMNATION OF EASEMENTS ON CERTAIN REAL PROPERTY

Recitals

1. Public Utility District No. 2 of Grant County, Washington, a duly established municipal corporation of the State of Washington, hereinafter called the "Grant PUD", is authorized under RCW 54.16.020 and RCW 54.16.040 as amended, to condemn and acquire land and other property rights and privileges within and without its limits necessary for the purpose of furnishing itself, and its inhabitants, and any other persons with electric current for all uses and to construct facilities for the distribution thereof;
2. Grant PUD is constructing a 230 kV transmission line from Wanapum Dam to the Mountain View Substation to serve customer load in Grant County;
3. Grant PUD's Board of Commissioners has determined that it is necessary and advisable and in the best interests of Grant PUD and its electrical users that Grant PUD acquire easements through purchase or condemnation on the real property described in Exhibits A and B, hereinafter referred to as "Real Property";
4. Grant PUD has obtained an appraisal of the properties sought to be acquired and Grant PUD has offered the property owners an amount which is equal to or greater than the appraised amount for said property rights; and
5. Grant PUD has been unable to purchase said easements through negotiation.

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

Section 1. The public interest, welfare, convenience, and necessity require the acquisition of easements by Grant PUD on the Real Property described in Exhibits A and B.

Section 2. That the object and use for which the easements on the Real Property is sought is a public object and a public use, to-wit: The operating of works, plants, and facilities for generating electric current and furnishing Grant PUD and the inhabitants of Grant PUD, and any persons including public and private corporations within or without the limit of Grant PUD, with electric current and energy and to construct facilities for the transmission and distribution thereof.

Section 3. That the names of the owners and occupants of the Real Property and of all persons having any interest therein, known to Grant PUD, are as follows:

- Roger A. Lloyd and Tracy M. Lloyd
- Darrin L. Reynolds
- Rylaarsdam Family Properties, LLC

Section 4. Grant PUD's attorneys are hereby authorized and directed to institute forthwith and prosecute to a conclusion in the Superior Court of the State of Washington for Grant County, or such other court or courts as may be appropriate, an action or actions in the name of Grant PUD, for the acquisition by condemnation of easements on the Real Property.

Section 5. That just compensation for the acquisition of easements or damaging of said property shall be made from funds of Grant PUD's Electric System.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County this 24th day of March, 2026.

Motion was made by Commissioner Flint and seconded by Commissioner Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to award contract 430-12998C with Volt Workforce Solutions in the amount of \$10,000,000.00 with an expiration date of December 31, 2027.

The Commission recessed at 1:31 p.m.

The Commission resumed at 1:40 p.m.

At 1:40 p.m. the OATT public hearing was opened.

Susan Manville, Director of Transmission strategies, and Chris Buchmann, Senior Manager of Transmission Business Services delivered the OATT Public Hearing Presentation.

The members of the public below commented on the OATT:

- Roger Sonnichsen

The Commission recessed at 2:10 p.m.

The Commission resumed at 2:15 p.m.

An executive session was announced at 2:15 p.m. to last until 3:30 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 3:30 p.m. on March 24 and reconvened on Tuesday, March 31 at 5:30 p.m. at Spice Thai Kitchen, East Wenatchee, for the purpose of attending a Mid-C GM and Commission Dinner Meeting and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 8:45 p.m. on March 31 and reconvened on Tuesday, April 14 at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 2:32 p.m. on April 14 and reconvened on Tuesday, April 21 at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman (via Teams), Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 2:38 p.m. on April 21 and reconvened on Wednesday, April 22 at 12:00 p.m. at Pybus Public Market, Wenatchee, WA for the purpose of attending the Mid-C Energy Expo and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Judy Wilson, and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the March 24 meeting officially adjourned at 6:30 p.m. on April 22, 2026.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

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

April 14, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 648568034# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

The Commission engaged in a Commission Education period from 8:30 a.m. to 9:00 a.m.

Ryan Holterhoff, Senior Policy analyst, and Matthew Harris, Senior Policy Analyst, provided a State Legislative Session Review presentation.

The Commission recessed at 9:50 a.m.

The Commission resumed at 10:00 a.m.

Rich Flanigan, Vice President of Energy Supply Markets, and James Dykes, Term Marketer, gave the SPP Markets + Roadmap presentation.

The Commission recessed at 10:57 a.m.

The Commission resumed at 11:10 a.m.

An executive session was announced at 11:10 a.m. to last until 11:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 p.m. and the regular session resumed.

The Commission resumed at 1:00 p.m.

An Internal Recognition presentation was brought before the Commission to recognize years of service to the following individuals:

- Stephen Gilliland, Hydro Mechanic Foreman, 20 years
- Glen James, Fleet Services Journeyman, 20 years
- Leroy Boyd, Materials Specialist, 20 years
- Rich Flanigan, Vice President Energy Supply Markets, 20 years
- Scott Landon, Line Inspector, 25 years
- Renate Rectenwald, Senior Data Analyst, 25 years

Rich Flanigan, Vice President of Energy Supply Markets, gave the Energy Supply Markets Quarterly Business Report.

The Commission recessed at 1:32 p.m.

The Commission resumed at 1:38 p.m.

Tod Ayers, Vice President of Human Resources, provided the Human resources Quarterly Business Report.

There being no further business to discuss, the April 14, 2026 workshop officially recessed at 2:32 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

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

April 21, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 648568034# with the following Commissioners present: Larry Schaapman, President (via Teams); Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

The Commission engaged in working period from 8:30 a.m. to 9:00 a.m.

Jim Cook, Development Services Director, and Michele Mercer, Planning Manager from the Grant County Development Services Department, gave a Comprehensive Plan presentation.

The Commission recessed at 9:39 a.m.

The Commission resumed at 9:45 a.m.

Amy Thompson, Manager of Treasury Operations, and Harris Turner, Financial Analyst, provided the Treasury Report.

The Commission recessed at 10:43 a.m.

The Commission resumed at 10:48 a.m.

Sheila Wald, Senior Project Manager, and Nick Bare, Facilities Supervisor, gave the Large Project Spotlight presentation on the new Service Center.

The Commission recessed at 11:17 a.m.

The Commission resumed at 11:30 a.m.

An executive session was announced at 11:30 a.m. to last until 12:55 p.m. to discuss lease or purchase of real estate pursuant with legal counsel present RCW 42.30.110(1)(b). The executive session concluded at 12:55 p.m. and the regular session resumed.

The Commission resumed at 1:00 p.m.

Bonnie Overfield, Vice President of Finance, provided the Finance Quarterly Business Report.

Ron Alexander, Vice President of Power Delivery Operations, presented the Power Delivery Quarterly Business Report.

The Commission recessed at 2:04 p.m.

The Commission resumed at 2:10 p.m.

The Commission engaged in a Business Review Period.

There being no further business to discuss, April 21, 2026, workshop officially recessed at 2:38 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

REGULAR AGENDA

RESOLUTION NO. 9118

A RESOLUTION ESTABLISHING AN OPEN ACCESS TRANSMISSION TARIFF

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. Section 211A of the Federal Power Act (16 U.S.C. § 824j–1) authorizes the Federal Energy Regulatory Commission (FERC) to require non-public utilities to provide transmission service on terms and conditions comparable to those they provide themselves and that are not unduly discriminatory, and consistent with the open-access principles established in FERC Order No. 888 that guide both jurisdictional and non-jurisdictional transmission providers nationwide;
3. Grant PUD desires to adopt an OATT to support compliance with federal open-access standards, reduce regulatory risk, and ensure transparent, standardized, and fair treatment of all transmission customers;
4. An Open Access Transmission Tariff (OATT) provides a clear and consistent framework for how Grant PUD offers transmission service. Although Grant PUD is not fully subject to federal transmission regulation, adopting an OATT demonstrates a commitment to equitable service and aligns Grant PUD with widely accepted industry practices; and
5. Grant PUD’s executive leadership and Transmission Strategy and Development staff have reviewed the Open Access Transmission Tariff attached hereto and recommend that it be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that attached Open Access Transmission Tariff is hereby approved and adopted and shall be effective upon confirmation of Grant PUD’s Transmission Service Provider (TSP) registration with NERC, which is anticipated to be June 22, 2026.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of April, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

March 12, 2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Senior Vice President Power and Market Operations ^{JG} Mar 12, 2026
Rich Flanigan, Vice President Energy Supply & Markets ^{RF} Mar 12, 2026
Susan Manville, Director Transmission Strategy & Development SM Mar 12, 2026

FROM: Christopher Buchmann, Senior Manager Transmission Business Services ^{CSB} Mar 12, 2026

SUBJECT: Adoption of Open Access Transmission Tariff (OATT) and Associated Documents

Purpose: Hold a public hearing March 24, 2026, to address community questions, followed by seeking Commission approval to adopt the proposed OATT and its associated documents, with implementation and public release estimated for June 22, 2026, upon confirmation of Grant PUD's Transmission Service Provider (TSP) registration with NERC.

Discussion: Section 211A of the Federal Power Act (FPA) requires unregulated transmitting utilities, including non-jurisdictional public power entities, to provide transmission service on terms comparable to those they provide themselves. While Grant PUD is not subject to FERC rate regulation and is exempt from certain federal orders, it is still recognized under federal law as both a municipal "electric utility" and transmitting utility. In addition, Section 500 of NERC Rules of Procedure requires any entity performing the TSP function, defined as "providing transmission service under a tariff or agreement", must be registered.

To address increasing use of Grant PUD's transmission system and ensure transparent, consistent, and non-discriminatory service, Transmission Business Services recommends adopting an OATT and registering with NERC as a TSP. The proposed OATT aligns closely with FERC's pro forma tariff and includes standardized procedures for transmission service and generator interconnection. Its development has been guided by internal subject matter experts (SME's) and external FERC counsel, Stinson Law Firm, to ensure regulatory alignment while maintaining flexibility for future load growth.

Grant PUD has already invested in the systems required to administer the tariff, including Open Access Technology International (OATI) modules and the Open Access Same-Time Information System (OASIS) for managing transmission service requests and available transmission capacity. Transmission Business Services is also assisting Legal and Regulatory Government Affairs with both developing a Standards of Conduct program to ensure Grant PUD's merchant function does not receive preferential access to transmission information or operations and completing TSP registration to meet NERC's mandatory requirements.

Justification: Grant PUD plans to participate in SPP Markets+, which requires open access to its transmission system. Implementing the OATT establishes clear, consistent rules for both Grant PUD and transmission customers.

Implementing the OATT will support reliable evaluation of interconnection and load service requests. Real-time calculation of available transmission capacity will also allow Grant PUD to market unused short-term capacity, improving system utilization and financial performance.

Recommendation: Adoption of Open Access Transmission Tariff (OATT) and associated documents, with implementation and public release estimated for June 22, 2026, upon confirmation of Grant PUD's TSP registration with NERC.

Legal Review: See attached email(s).

Signature: *Christopher Buchmann*

Email: cbuchmann@gcpud.org

Signature: *Susan Manville*

Email: smanville@gcpud.org

Signature: *RFLANIG*

Email: rflanig@gcpud.org

Signature: *Jeffrey Grizzel*
Jeffrey Grizzel (Mar 12, 2026 15:24:52 PDT)

Email: Jgrizzel@gcpud.org

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

OPEN ACCESS TRANSMISSION TARIFF (“Tariff”)

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Open Access Transmission Tariff

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Open Access Transmission Tariff

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I. COMMON SERVICE PROVISIONS

1. DEFINITIONS

A capitalized term that is not defined in this Tariff shall have the official NERC definition, if one exists.

1.1 Affiliate:

With respect to a corporation, partnership, or other entity, each such other corporation, partnership, or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership, or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by Transmission Provider.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Balancing Authority (BA):

The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.6 Balancing Authority Area (BAA):

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.

1.7 Business Day:

The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit or fees.

1.10 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.11 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.12 Delivery Point:

Point of Delivery

1.13 Demand:

1. The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time.

2. The rate at which energy is being used by the customer.

1.14 Designated Agent:

Any entity that performs actions or functions on behalf of Transmission Provider, an Eligible Customer, or Transmission Customer required under the Tariff.

1.15 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to Transmission Customer.

1.16 Eligible Customer:

Any electric utility (including Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale or resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada, or Mexico. Retail customers are not eligible for service under this Tariff.

1.17 Environmental Study:

A study that will evaluate potential environmental and cultural resource impacts associated with a proposed Transmission Service request by a Transmission Customer. The Environmental Study will include, but not be limited to, habitat assessments, biological assessments, wetland delineations, cultural resource surveys, environmental site assessments, and property ownership and land right determinations. In addition, the Environmental Study will also evaluate potential environmental, cultural, and/or land use

authorizations and permits that may be necessary prior to work occurring.

1.18 Facilities Study:

An engineering study conducted by Transmission Provider to determine the required modifications to Transmission Provider's Transmission System, including the cost and estimated schedule for such modifications, that will be required to provide the requested transmission service.

1.19 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.20 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.21 Grant PUD Commission:

The publicly elected officials that govern Public Utility District No. 2 of Grant County, Washington, a municipal corporation as defined in Chapter 54.12 RCW.

1.22 Integration/Regulation Service:

The provision of the difference between the instantaneous output of a generation facility and the scheduled output of the facility. Integration/Regulation Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the scheduled output from the generation facility.

1.23 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.24 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve-month basis.

1.25 Load Shedding:

The systematic reduction of system Demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.26 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.27 Native Load Customers:

The wholesale and retail power customers of Transmission Provider on whose behalf Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate Transmission Provider's system to meet the reliable electric needs of such customers.

1.28 NERC:

The North American Electric Reliability Corporation, or its successor, to which the Commission has delegated authority to act as the Electric Reliability Organization for North America, and which develops and enforces electric system reliability standards for North America.

1.29 Network Customer:

An entity receiving transmission service pursuant to the terms of Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.30 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.31 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.32 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.33 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.34 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer for the purpose of using Network Integration Transmission Service.

Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.35 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.36 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.37 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.38 Open Access Same-Time Information System (OASIS):

An electronic posting system that the Transmission Service Provider maintains or subscribes to for the posting of transmission access data and that allows all transmission customers to view the data simultaneously, and/or a webpage or a collection of webpages on which information and links relevant this Tariff are posted.

1.39 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 1 through 12.

1.40 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.41 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.42 Parties:

Transmission Provider and Transmission Customer receiving service under the Tariff.

1.43 Point(s) of Delivery:

Point(s) on Transmission Provider's Transmission System where capacity and energy transmitted by Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.44 Point(s) of Receipt:

Point(s) of interconnection on Transmission Provider's Transmission System where capacity and energy will be made available to Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.45 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.46 Pre-Confirmed Request:

A request for Point-to-Point Transmission Service on Transmission Provider's OASIS that commits Eligible Customer to the purchase of such Transmission Service upon acceptance of the request by Transmission Provider.

1.47 Preschedule Day:

The day identified by Transmission Provider pursuant to the WECC Interchange Scheduling and Accounting Subcommittee daily scheduling calendar, or the applicable successor to such committee.

1.48 Receiving Party:

The entity receiving the capacity and energy transmitted by Transmission Provider to the Point(s) of Delivery.

1.49 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.50 Reseller:

A Transmission Customer that sells, assigns or transfers its rights under its Service Agreement to another Eligible Customer.

1.51 Reserved Capacity:

The maximum amount of capacity and energy that Transmission Provider agrees to transmit for Transmission Customer over Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.52 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by Transmission Customer and Transmission Provider for service under the Tariff.

1.53 Service Commencement Date:

The date Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.54 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.55 System Condition:

A specified condition on Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the Curtailment priority pursuant to Section 13.6. Such conditions must be identified in Transmission Customer's Service Agreement.

1.56 System Impact Study:

An assessment by Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.57 Third-Party Sale:

Any sale for resale in interstate commerce to another entity that is not designated as part of Network Load under the Network Integration Transmission Service.

1.58 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that has executed a Service Agreement under this Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.59 Transmission Provider:

Public Utility District No. 2 of Grant County, Washington.

1.60 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of Transmission Provider's Transmission System in a calendar month.

1.61 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.62 Transmission System:

The facilities owned, controlled, or operated by Transmission Provider that are used to provide transmission service.

1.63 Unreserved Use:

The use of Transmission Service by an Eligible Customer at a Point of Receipt or Point of Delivery that it has not reserved or for which it has not executed a Service Agreement.

1.64 Uniform Commercial Code:

A standardized set of legal guidelines adopted by states to regulate commercial transactions, including sales, leases, negotiable instruments, and secured transactions, ensuring consistency and fairness in interstate commerce.

1.65 WECC:

The Western Electricity Coordinating Council, or its successor.

1.66 WPP:

The Western Power Pool, or its successor.

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) calendar day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) calendar day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority for Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay Transmission Provider's then current just and reasonable rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer.

3. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. Transmission Provider is required to provide, and Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

Transmission Provider is required to offer to provide the following Ancillary Services only to Transmission Customer serving load within Transmission Provider's Balancing Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. Transmission Customer serving load within Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from Transmission Provider or (if permitted by Transmission Provider), from a third party or by self-supply.

Transmission Provider is required to provide to the extent it is physically feasible to do so from its resources or from resources available to it, (i) Generator Imbalance Service, (ii) Operating Reserve - Spinning, (iii) Operating Reserve - Supplemental, and (iv) the applicable Integration/Regulation Service for the type of generation when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. Transmission Customer using Transmission Service to deliver energy from a generator located within Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from Transmission Provider or (if permitted by Transmission Provider), from a third party or by self-supply.

Transmission Customer may not decline Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. Transmission Customer must list in its Application which Ancillary Services it intends to purchase from Transmission Provider. A Transmission Customer that exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this Section 3 that were provided by Transmission Provider associated with the unreserved service. Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service

it used but did not reserve.

In the event of an unauthorized use of Ancillary Services by Transmission Customer, the Unreserved Use will be subject to Schedule 10, Unreserved Use of Transmission Service.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff.

Three principal requirements apply to discounts for Ancillary Services provided by Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on Transmission Provider's system. Sections 3.1 through 3.8 below list the eight Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service for Loads:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

3.8 Generation and Storage Balancing Service:

Where applicable the rates and/or methodology are described in Schedule 11.

4. TRANSMISSION SERVICE WEBSITE

Transmission Provider shall post on OASIS and its public website an electronic link to all rules,

standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that Transmission Provider deems appropriate.

5. TAX EXEMPT BONDS

Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund the ownership and operation of its transmission system. Notwithstanding any other provision of this Tariff, Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any bond(s) used to finance Transmission Provider's facilities that would be used in providing such transmission service. If Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any bond(s) used to finance its facilities that would be used in providing such transmission service, it shall so advise Eligible Customer and shall not be obligated to provide service.

6. RECIPROCITY

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7. BILLING AND PAYMENT

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, Transmission Provider shall submit an invoice to Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by Transmission Customer within fifteen (15) Business days of receipt. All payments shall be made in immediately available funds payable to Transmission Provider, or by electronic payments to a bank named by Transmission Provider.

7.2 Late Payment:

Interest shall be applied and accrue on past due balances until paid in accordance with Grant PUD's Customer Service Policy.

7.3 Customer Default:

In the event Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Transmission Provider notifies Transmission Customer to cure such failure, a default by Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Transmission Provider may terminate service with thirty (30) calendar days' notice.

In the event of a billing dispute between Transmission Provider and Customer, Transmission Provider shall continue to provide transmission service under the Service Agreement provided Transmission Customer continues to make all payments, including those in dispute. If Customer fails to meet this requirement for continuation of service, Transmission Provider may provide notice to Customer of a default pursuant to this Section 7.3. If Customer disputes any portion of an invoice, Customer shall pay the disputed amount by the applicable due date and submit written notice of a claim within 90 days from the date of the invoice. The Parties agree to use good faith efforts to resolve the dispute as soon as possible. Upon resolution of the dispute, any overpayments shall, at Transmission Provider's discretion, be refunded to Customer within 30 days of such resolution or deducted from subsequent invoices.

8. ACCOUNTING FOR TRANSMISSION PROVIDER'S USE OF THE TARIFF

Transmission Provider shall track and record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which Transmission Provider conducts to determine if it must construct

new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in Transmission Customer's billing under the Tariff.

9. FORCE MAJEURE AND INDEMNIFICATION

9.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, pandemic, epidemic, explosion, breakage or accident to machinery or equipment, loss or material modification of FERC License 2114, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither Transmission Provider nor Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

9.2 Indemnification:

Transmission Customer shall at all times indemnify, defend, and hold Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Transmission Provider's performance of its obligations under this Tariff on behalf of Transmission Customer, except in cases of gross negligence or intentional wrongdoing by Transmission Provider.

10. CREDITWORTHINESS

Transmission Provider will specify its creditworthiness procedures in Attachment L and in applicable business practices.

11. DISPUTE RESOLUTION PROCEDURES

11.1 Internal Dispute Resolution Procedures:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in

accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Tariff.

11.2 External Arbitration Procedures:

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 11, the terms of this Section 11 shall prevail.

11.3 Arbitration Decisions:

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

11.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

12. GENERAL PROVISIONS

12.1 Unilateral Right to Change:

Notwithstanding any other provision in this Tariff or a Service Agreement, Transmission Provider shall have the right unilaterally to make changes in rates, charges, classification of service, or any rule, regulation, or business practice related to this Tariff. Prior to the effectiveness of any change, Transmission Provider shall provide sixty (60) calendar days' notice to its customers.

12.2 Tariff Availability:

Nothing contained in this Tariff shall restrict Transmission Provider's right unilaterally to withdraw the Tariff at any time. Except as otherwise provided in this Section 12.2, such withdrawal shall not affect existing Service Agreements for Long-Term Firm Point-to-Point Transmission Service entered into under the Tariff, except no Transmission Customer will have any right to roll-over or extend a Service Agreement in the event of withdrawal of the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service shall terminate immediately, except that Transmission Provider shall complete Transmission Service for specific scheduled Non-Firm and Short-Term Firm Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). Transmission Provider shall provide at least thirty (30) calendar days' notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service.

12.3 Delegation of Responsibility:

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this Tariff.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13. NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement, and in no case will exceed thirty (30) years.

13.2 Reservation Priority:

13.2.1 Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

13.2.2 Reservations for Short-Term Firm Point-To-Point Transmission Service will be based upon the length of the requested transaction or reservation. However, Pre-Confirmed Requests for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not pre-confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be determined by the date and time of the request or reservation.

13.2.3 If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one Business Day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service has the right of first refusal to match any longer-term request or equal duration service before losing its reservation priority. A longer-term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

13.2.4 Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by Transmission Provider:

To the extent Transmission Provider uses the Transmission System for off-system sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements.

13.4 Service Agreements:

Transmission Provider shall offer a standard form Service Agreement for Long-Term Firm Point-To-Point Transmission Service (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. Transmission Provider shall offer a standard form Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service and Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

A new Service Agreement will not be required for subsequent short-term firm or non-firm transactions. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved or that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement and will be subject to the rates for Unreserved Use in Schedule 10. The Service Agreement shall, when

applicable, specify any conditional curtailment options selected by Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, Transmission Provider shall provide Transmission Customer notice of any changes to the curtailment conditions no less than ninety (90) calendar days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, Transmission Provider shall provide Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions:

In cases where Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with Transmission Provider's ability to meet prior firm contractual commitments to others, Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. Transmission Customer must agree to compensate Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. Any Network Upgrade or Direct Assignment Facilities costs to be charged to Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, Transmission Provider will Curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the Curtailment of service to Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be Curtailed with secondary service in cases where the conditions apply but otherwise will be Curtailed on a pro rata basis with other Firm Transmission Service. When Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, Transmission Customer shall make the required reductions upon request of Transmission Provider. However, Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

13.7.1 Transmission Customer taking Firm Point-To-Point Transmission Service may

(1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

13.7.2 Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

13.7.3 Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be Transmission Customer's Reserved Capacity. Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 **Scheduling of Firm Point-To-Point Transmission Service:**

Schedules for Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission

Provider] before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Requests. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the date and time of the request or reservation. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by Transmission Provider:

To the extent that Transmission Provider uses its transmission to make Third-Party Sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements. Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

Transmission Provider shall offer a standard Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by Transmission Provider) exceeds its non-firm capacity reservation. The applicable rates for Unreserved Use are stated in Schedule 10. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly, or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-

To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) transmission service for Network Customers from non-designated resources, or (4) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. Transmission Provider also will discontinue or reduce service to Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15. SERVICE AVAILABILITY

15.1 General Conditions:

Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of Transmission Provider's specific methodology for assessing available transfer capability posted on Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request for Long Term Firm Point to Point Service, Transmission Provider may respond by performing a System Impact Study.

15.3 Executed Service Agreement Required:

Service will commence following the execution of a Service Agreement consistent with the terms of this Tariff.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, or Conditional Curtailment:

15.4.1 If Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided Transmission Customer agrees to compensate Transmission Provider for such costs pursuant to the terms of Section 27. Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that Transmission Provider has the right to expand or modify.

15.4.2 If Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Transmission Provider will offer the Firm Transmission Service with the condition that Transmission Provider may Curtail the service prior to the Curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If Transmission Customer accepts the service, Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for Transmission Customer, (ii) Transmission Provider determines through a reassessment that it can no longer reliably provide such service, or (iii) Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such time as those agreements may expire or be terminated.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. Transmission Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services. See www.grantpud.org.

16. TRANSMISSION CUSTOMER RESPONSIBILITIES

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by Transmission Provider only if the following conditions are satisfied by Transmission Customer:

- (i) Transmission Customer has pending a Completed Application for service;
- (ii) Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- (iii) Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to Transmission Provider prior to the time service under Part II of the Tariff commences;
- (iv) Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not Transmission Customer takes service for the full term of its reservation;
- (v) Transmission Customer provides the information required by Transmission Provider's planning process established in Attachment K; and
- (vi) Transmission Customer has executed a Point-To-Point Service Agreement pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of Transmission Customer requesting service. Transmission Customer shall provide, unless waived by Transmission Provider, notification to Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, Transmission Provider will undertake reasonable efforts to assist Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17. PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

Public Utility District No. 2 of Grant County, Washington
Attn: Senior Manager Transmission Business Services
PO Box 878
Ephrata, WA 98823

at least sixty (60) days in advance of the calendar month in which service is to commence. The timeline to apply to Short Term Firm Point-to-Point Transmission Service is specified in the applicable business practice. Requests for firm service for periods of less than one year shall be submitted pursuant to an executed Service Agreement as contained in Attachment B per Section 13.4. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on Transmission Provider's OASIS. Prior to implementation of Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to Transmission Provider by email to transmissionservices@gcpud.org. The email received at transmissionservices@gcpud.org will provide a time-stamped record for establishing the priority of the Application. Transmission Provider will provide an application form for

such a request.

17.2 Completed Application:

A Completed Application for Long Term Firm Point-to-Point Transmission Service, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20, including but not limited to the following:

- (i) The identity, address, telephone number and email address of the entity requesting service;
- (ii) A contact name and specific email address and telephone number for the contact;
- (iii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iv) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (v) The location of the generating facility(ies) supplying the capacity and energy, and the location of the load ultimately served by the capacity and energy transmitted. Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to an applicable RTG transmission information sharing agreements.
- (vi) A description of the supply characteristics of the capacity and energy to be delivered;
- (vii) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (viii) The Service Commencement Date and the term of the requested Transmission Service;
- (ix) The transmission capacity requested for each Point of Receipt and each Point of Delivery on Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (x) A statement indicating that, if Eligible Customer submits a Pre-Confirmed Request, Eligible Customer will execute a Service Agreement upon receipt of notification that Transmission Provider can provide the requested Transmission Service; and
- (xi) Any additional information required by Transmission Provider's planning process established in Attachment K.
- (xii) If Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the reciprocity requirements of Section 6.
- (xiii) Other information as specified on the application form.

17.3 Deposit:

A Completed Application for Long Term Firm Point-To-Point Transmission Service also shall include a deposit of one month's charge for Reserved Capacity. If the Application is rejected by Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals, said deposit shall be returned without interest less any reasonable costs incurred by Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned without interest less any reasonable costs incurred by Transmission Provider if Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, without interest, less reasonable costs incurred by Transmission Provider to the extent such costs have not already been recovered by Transmission Provider from Eligible Customer. Transmission Provider will provide to Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, without interest, will be returned to Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application, along with any deposit, without interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Long Term Firm Point-To-Point Transmission Service, Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. Transmission Provider shall notify Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement.

Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service for Long Term Firm Point-To-Point Transmission Service. Transmission Customer may postpone service by providing written notice to Transmission Provider no less than sixty (60) days prior to the commencement of service and by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within fifteen (15) calendar days of notifying Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) calendar days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18. PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to Transmission Provider per Section 14.4 and execute a Service Agreement.

18.2 Completed Application:

A Completed Application, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and email address of the entity requesting service;
- (ii) A contact name and specific email address and telephone number for the contact;
- (iii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iv) The Point(s) of Receipt and the Point(s) of Delivery;
- (v) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery;
- (vi) The proposed dates and hours for initiating and terminating transmission service hereunder;

- (vii) If Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the reciprocity requirements of Section 6, and

- (viii) Other information as requested on the application form.

In addition to the information specified above, when required to properly evaluate system conditions, Transmission Provider also may ask Transmission Customer to provide the following:

- (ix) The electrical location of the initial source of the power to be transmitted pursuant to Transmission Customer's request for service; and

- (x) The electrical location of the ultimate load.

Transmission Provider will treat this information in (ix) and (x) as confidential at the request of Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to applicable RTG transmission information sharing agreements.

- (xi) A statement indicating that, if Eligible Customer submits a Pre-Confirmed Request, Eligible Customer will execute a Service Agreement upon receipt of notification that Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) calendar days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) calendar days before service is to commence; requests for daily service shall be submitted no earlier than the Business Day before the Preschedule Day applicable to such service; and requests for hourly service shall be submitted no earlier than 10:00 a.m. on the Preschedule Day applicable to such service. Requests for service received later than 2:00 p.m. prior to the applicable Preschedule Day will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) Business Days for monthly service.

19. ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS

19.1 Notice of Need for System Impact Study:

After receiving a request for service, Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Transmission Provider's methodology for completing a System Impact Study is provided

in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. Once informed, Eligible Customer shall timely notify Transmission Provider if it elects to have Transmission Provider study conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study agreement, Eligible Customer can avoid the costs associated with the study of these options. Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest.

19.2 System Impact Study Agreement and Payment:

- 19.2.1 The System Impact Study agreement will clearly specify Transmission Provider's estimate of the actual cost and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. Eligible Customer will not be assessed a charge for such existing studies; however, Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of Eligible Customer's request for service on the Transmission System.
- 19.2.2 If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among Eligible Customers.
- 19.2.3 For System Impact Studies that Transmission Provider conducts on its own behalf, Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study agreement, Transmission Provider will use due diligence to complete the required System Impact Study within a reasonable amount of time. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate (2) conditional curtailment options (when requested by an Eligible Customer) including the estimated number of hours per year and the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within ninety (90) calendar days, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete

the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself.

Transmission Provider shall notify Eligible Customer upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) calendar days of completion of the System Impact Study Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

19.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and any applicable deposit net of expenditures already made shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities Study per Section 19.5 and may result in a need to update a Facilities Study to represent these costs.

19.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study within a reasonable amount of time. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Transmission Customer, (ii) Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the estimated time required to complete such construction and initiate the requested service. Transmission Customer shall provide Transmission Provider with a letter of credit

or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Transmission Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security. If executed Service Agreement and security are not received within thirty (30) calendar days by Transmission Provider, the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.6 Facilities Study Modifications:

Any change in design arising from inability to site, permit or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.7 Completing New Facilities:

Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.8 Partial Interim Service:

If Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities. However, Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.9 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, Eligible Customer shall have the option to expedite the process by requesting Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which Eligible Customer would agree to compensate Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within thirty (30) calendar days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. Transmission Provider is not obligated to offer an Expedited Service Agreement and may at its sole discretion inform Eligible Customer that an Expedited Service Agreement will not be offered.

If Transmission Provider agrees to move forward with an Expedited Service Agreement, Transmission Provider will provide Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding

and Eligible Customer must agree in writing to compensate Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) calendar days of its receipt or Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn. Transmission Provider reserves the right to require adequate security as part of an Expedited Service Agreement and has complete discretion regarding the adequacy of the security.

20. PROCEDURES IF TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, Transmission Provider shall promptly notify Transmission Customer. In such circumstances, Transmission Provider shall, within thirty (30) calendar days of notifying Transmission Customer of such delays, convene a technical meeting with Transmission Customer to evaluate the alternatives available to Transmission Customer. Transmission Provider also shall make available to Transmission Customer studies and work papers related to the delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, Transmission Provider shall present such alternatives for consideration by Transmission Customer. If, upon review of any alternatives, Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, Transmission Provider shall tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service upon Transmission Customer's application for a Service Agreement per Section 14.4. In the event Transmission Provider concludes that no reasonable alternative exists, and Transmission Customer disagrees, Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

20.3 Refund Obligation for Unfinished Facility Additions:

If Transmission Provider and Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by Transmission Customer shall be returned without interest. However, Transmission Customer shall be responsible for all prudently incurred costs by Transmission Provider through the time construction was suspended.

21. PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES

21.1 Responsibility for Third-Party System Additions:

Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. Transmission Provider will undertake reasonable efforts to assist Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. Transmission Provider, after consultation with Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities if the new transmission facilities on another system cannot be completed in a timely manner. Transmission Provider shall notify Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) calendar days of receiving written notification by Transmission Provider of its intent to defer construction pursuant to this Section 21.2, Transmission Customer may challenge the decision in accordance with the dispute resolution procedures.

22. CHANGES IN SERVICE SPECIFICATIONS

22.1 Modifications on a Non-Firm Basis:

Transmission Customer taking Firm Point-To-Point Transmission Service may request Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (i) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third parties under the Tariff or by Transmission Provider on behalf of its Native Load Customers.
- (ii) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to Transmission Customer at any time pursuant to this Section 22 shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (iii) Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (iv) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff

(except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement

23. SALE OR ASSIGNMENT OF TRANSMISSION SERVICE

23.1 Procedures for Assignment or Transfer of Service:

23.1.1 A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. All commercial terms and conditions related to the transfer of rights shall be established by separate agreement between the Reseller and the Assignee. Transmission Provider may amend applicable Service Agreements to reflect its revised service level if Reseller sells, assigns, or transfers a portion of its rights.

23.1.2 The Assignee must execute a service agreement with Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by Transmission Provider pursuant to Section 13.2. Following an assignment, the Reseller will continue to be responsible for all charges under Schedule 7 for PTP Transmission Service and for the applicable Ancillary Service Charges under Schedules 1, 2 and 11. The Assignee will be responsible for the applicable Ancillary Services Charges under Schedules 3, 4, 5, 6, and 9 and for charges for Real Power Losses per Section 15.7.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change

and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

All sales or assignments of capacity must be conducted through or otherwise posted on Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use Transmission Provider's OASIS to post transmission capacity available for resale.

24. METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to Transmission Provider. Such equipment shall remain the property of Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, Transmission Customer is required to maintain a power factor within the same range as Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25. COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26. STRANDED COST RECOVERY

Transmission Provider may seek to recover stranded costs from Transmission Customer pursuant to this Tariff in accordance with the terms and conditions set forth for public utilities in FERC Order No. 888. However, Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff applying FERC precedent under Order 888.

27. COMPENSATION FOR NEW FACILITIES

Whenever a System Impact Study performed by Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, Transmission Customer shall be responsible for such costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28. NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in Transmission Provider's Balancing Authority Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over Transmission Provider's Transmission System. Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by Transmission Provider to calculate available transfer capability. Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to Transmission Provider's use of the Transmission System to reliably serve its Native

Load Customers.

28.4 Secondary Service:

The Network Customer may use Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real power losses are associated with all transmission service. The Network Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services. (see www.grantpud.org)

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of Transmission Provider's Transmission System. Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29. INITIATING SERVICE

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) Eligible Customer and Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) Eligible Customer executes a Network Operating Agreement with Transmission Provider pursuant to Attachment G.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date

and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on Transmission Provider's OASIS. Prior to implementation of Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to Transmission Provider by email to transmissionservices@gcpud.org. The email will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and email address of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide Eligible Customer's best estimate of the total loads to be served at each voltage level, and the loads to be served from each Transmission Provider substation at the same transmission or distribution voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10-year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:
 - Unit size and amount of capacity from that unit to be designated as Network Resource
 - VAR capability (both leading and lagging) of all generators
 - Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Arrangements governing sale and delivery of power to third parties from generating facilities located in Transmission Provider Balancing Authority Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
 - Amount of power to which the customer has rights
 - Identification of the Balancing Authority Area from which the power will originate
 - Delivery point(s) to Transmission Provider's Transmission System
 - Transmission arrangements on the external transmission system(s)
 - Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- (vi) Description of Eligible Customer's transmission system:
- Power flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a power flow format compatible with that used by Transmission Provider. If requested by Transmission Provider for any particular generation facilities or loads, an Eligible Customer must provide specific modeling data and provide test results demonstrating the accuracy of their modeling data to actual operation.
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of Eligible Customer's transmission system, other than Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10-year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Balancing Authority Area ties with other Balancing Authority Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion

thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program;

- (ix) Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of the reciprocity requirements of Section 6; and
- (x) Any additional information required of Transmission Customer as specified in Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, Transmission Provider must acknowledge the request within ten (10) calendar days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to Eligible Customer. If an Application fails to meet the requirements of this Section 29, Transmission Provider shall notify Eligible Customer requesting service within fifteen (15) calendar days of receipt and specify the reasons for such failure. Wherever possible, Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application without prejudice to Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section 29. Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Executed Service Agreement Required:

Service will be commenced following the execution of a Service Agreement consistent with the terms of this Tariff.

30. NETWORK RESOURCES

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non- interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Balancing Authority Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Transmission Arrangements for Network Resources Not Physically Interconnected with Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with Transmission Provider's Transmission System. Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.6 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution

of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.7 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.8 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to (January 1, 2026), as determined by final action of the Grant PUD Commission, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by Transmission Provider, would be eligible for inclusion in Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31. DESIGNATION OF NETWORK LOAD

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected with Transmission Provider:

The Network Customer shall provide Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.5 and shall be charged to the Network Customer.

31.3 Network Load Not Physically Interconnected with Transmission Provider:

This Section 31.3 applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with

Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section 31.3 the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g., the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under Section 29.2(ix) pursuant to Transmission Provider's planning process in Attachment K. The Network Customer also shall provide Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting Transmission Provider's ability to provide reliable service.

32. ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS

32.1 Notice of Need for System Impact Study:

After receiving a request for service, Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. In such cases, Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for

performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study Agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest.

32.2 System Impact Study Agreement and Payment:

32.2.1 The System Impact Study Agreement will clearly specify Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. Eligible Customer will not be assessed a charge for such existing studies; however, Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of eligible Customer's request for service on the Transmission System.

32.2.2 If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among Eligible Customers.

32.2.3 For System Impact Studies that Transmission Provider conducts on its own behalf, Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, Transmission Provider will use due diligence to complete the required System Impact Study as soon as reasonable and practical. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) available options for installation of automatic devices to Curtail service (when requested by an Eligible Customer), and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within a reasonable time period, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. Transmission Provider shall notify Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) calendar days of completion of the System Impact Study Eligible Customer must execute a Service Agreement, or the Application shall be deemed

terminated and withdrawn.

32.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and its deposit shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities Study per Section 32.5 and may result in a need to update a Facilities Study to represent these costs.

32.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study as soon as reasonable and practical. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Eligible Customer, (ii) Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the estimated time required to complete such construction and initiate the requested service. Eligible Customer shall provide Transmission Provider with a letter of credit or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Eligible Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33. LOAD SHEDDING AND CURTAILMENTS

33.1 Procedures:

Prior to the Service Commencement Date, Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the

Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of Transmission Provider's system, Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Transmission Provider's system.

33.3 Curtailments of Scheduled Deliveries:

If Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.4 Allocation of Curtailments:

Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than Transmission Provider would Curtail Transmission Provider's schedules under similar circumstances.

33.5 Load Shedding:

To the extent that a system contingency exists on Transmission Provider's Transmission System and Transmission Provider determines that it is necessary for Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.6 System Reliability:

Notwithstanding any other provisions of this Tariff, Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with Transmission Provider's Transmission System, Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service.

Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34. RATES AND CHARGES

The Network Customer shall pay Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with Transmission Provider under Section 31.3) coincident with Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

Transmission Provider's monthly Transmission System load is Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Stranded Cost Recovery:

Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms and conditions set forth in FERC Order No. 888. However, Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff applying FERC precedent under Order 888.

35. OPERATING ARRANGEMENTS

35.1 Operation under the Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities

and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Transmission Provider's Transmission System, interchange schedules, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Balancing Authority Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 CFR 39.1, (ii) satisfy its Balancing Authority Area requirements, including all necessary Ancillary Services, by contracting with Transmission Provider, or (iii) satisfy its Balancing Authority Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. If the self-supply of Ancillary Services is an option, Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established by Transmission Provider to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

SCHEDULE 1 - Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the operator of the Balancing Authority Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by Transmission Provider (if Transmission Provider is the Balancing Authority Area operator) or indirectly by Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for Transmission Provider's Transmission System. Transmission Customer must purchase this service from Transmission Provider or the Balancing Authority Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Scheduling, System Control and Dispatch Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Balancing Authority Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by Transmission Provider (if Transmission Provider is the Balancing Authority Area operator) or indirectly by Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for Transmission Provider's Transmission System. Transmission Customer must purchase this service from Transmission Provider or the Balancing Authority Area operator. The charges for such service will be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by the Balancing Authority Area operator.

The charges for Reactive Supply and Voltage Control from Generation and Other Sources Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 3 - Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with Transmission Provider (or the Balancing Authority Area operator that performs this function for Transmission Provider). Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, Transmission Provider will share with Transmission Customer its reasoning and any related data used to make the determination of whether Transmission Customer has made alternative comparable arrangements.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Regulation and Frequency Response Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 4 - Energy Imbalance Service for Loads

Energy Imbalance Service for Loads is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Authority Area over a single hour. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator. Transmission Provider may charge Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The charges for Energy Imbalance Service for Loads provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 5 - Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Operating Reserve – Spinning Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 6 - Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Operating Reserve – Supplemental Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 7 - Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

Transmission Customer shall compensate Transmission Provider each month for Reserved Capacity.

The charges for Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

1. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
2. Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

SCHEDULE 8 - Non-Firm Point-To-Point Transmission Service

Transmission Customer shall compensate Transmission Provider for Non- Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

The charges for Non-Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

1. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
2. Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

SCHEDULE 9 - Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in Transmission Provider's Balancing Authority Area and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a load within the Transmission Provider's Balancing Authority Area over a single hour. Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area Operator. Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The charges for Generator Imbalance Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 10 - Unreserved Use of Transmission Service

Transmission Provider will impose an Unreserved Use charge in any circumstance where Transmission Provider detects that an Eligible Customer has used transmission service that it has not reserved (including instances where transmission was used in excess of the quantity reserved). For the purpose of this Schedule 10, and in accordance with Sections 3, 13.4, and 14.4 under this Tariff, such Eligible Customer shall be deemed to have executed the appropriate Service Agreement attached to this Tariff.

In each case of Unreserved Use, Transmission Customer shall pay, exclusive of any discounts that may be offered to any other Eligible Customer during the Unreserved Use period, an Unreserved Use charge. Transmission Provider will calculate the Unreserved Use charge as follows:

1. The Unreserved Use charge for each hour of Unreserved Use is two times Transmission Provider's rate at the time of the Unreserved Use for Daily Firm Point-To-Point Transmission Service as set forth on Schedule 7; and
2. For the actual period of Unreserved Use, Transmission Provider will charge Eligible Customer two times the posted rates for any ancillary services associated with the customer's actual Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 11 of the Tariff.

SCHEDULE 11 – Generation and Storage Balancing Service

Generation and Storage Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards. Generation and Storage Balancing Service is accomplished primarily by committing on-line generation that can raise or lower output through the use of automatic generation control equipment.

Generation and Storage Balancing Service is provided when a difference occurs between the instantaneous output or consumption of a generation or storage facility and the schedule for the facility. Generation and Storage Balancing Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the schedule to or from the generation or storage facility.

The charges for Generation and Storage Balancing Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org). Transmission Provider will determine the applicable rate from Rate Schedule 33 based on the characteristics of the facility.

**ATTACHMENT A - Form of Service Agreement for Long-Term Firm Point-To-Point
Transmission Service**

This Long-Term Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Transmission Customer desires to receive Long-Term Firm Point-to- Point Transmission Service under the Tariff; and

<Additional recitals as necessary to provide background for Service Agreement>

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

- 2.1 Terms and Conditions: The terms and conditions under which Long-Term Firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Grant PUD may change the terms and conditions of the Tariff.
- 2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement. Exhibit 1 (Specifications and Charges for Long-Term Firm Point-to-Point Transmission Service) and Exhibit 2 (Specifications and Charges for Ancillary Services).
- 2.3 Completed Application: Grant PUD has determined that Transmission Customer is deemed to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff.
- 2.4 Application Deposit: Transmission Customer has provided to Grant PUD an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

3. Term and Regulatory Filing

- 3.1 Effective Date: This Service Agreement shall be effective on the date executed by both Parties. (“Effective Date”).
- 3.2 Service Commencement Date: Service under this Service Agreement shall commence on ____.

3.3 Termination of Agreement: This Service Agreement shall remain in effect through _____.

4. Long-Term Firm Point-to-Point Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, Long-Term Firm Point-to-Point Transmission Service pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists the Points of Receipt and Points of Delivery, the amounts of Reserved Capacity at the Points of Receipt and Points of Delivery and applicable charges for Long-Term Firm Point-to-Point Transmission Service.

5. Other Services

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services, and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

<No construction/Construction> of Direct Assignment Facilities or Network Upgrades

<are/is> required for Firm Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: ◇

◇

◇

◇

All payments to Grant PUD shall be to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

9.1 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.

9.2 Creditworthiness: Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.

- 9.3 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 9.4 Notices: Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

- 9.5 Notices of an Operating Nature: Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall arrange.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1
SPECIFICATIONS AND CHARGES FOR LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

Point(s) of Receipt

Location:

Reserved Capacity:

Delivering Party:

Point(s) of Delivery

Location:

Reserved Capacity:

Receiving Party:

Reserved Capacity

Maximum Amount of Capacity and Energy to be Transmitted:

Monthly Transmission Charge

Pursuant to Schedule 7 of the Tariff

Real Power Losses

Pursuant to Section 15.7 of the Tariff

Applicable Delivery Voltage(s) for Real Power Losses:

Unreserved Use of Transmission Service

Pursuant to Schedule 10 of the Tariff

Direct Assignment Facilities Charges

Designation of Party Subject to Reciprocal Service Obligation

Pursuant to Section 6 of the Tariff

EXHIBIT 2
SPECIFICATIONS AND CHARGES FOR ANCILLARY SERVICES

Scheduling, System Control and Dispatch Service

Pursuant to Schedule 1 of the Tariff

Reactive Supply and Voltage Control from Generation Sources

Pursuant to Schedule 2 of the Tariff

Regulation and Frequency Response Service

Pursuant to Schedule 3 of the Tariff, as applicable

Energy Imbalance Service

Pursuant to Schedule 4 of the Tariff, as applicable

Operating Reserve - Spinning Reserve Service

Pursuant to Schedule 5 of the Tariff, as applicable

Operating Reserve - Supplemental Reserve Service

Pursuant to Schedule 6 of the Tariff, as applicable

Generator Imbalance Service

Pursuant to Schedule 9 of the Tariff, as applicable

Generation and Storage Balancing Service

Pursuant to Schedule 11 of the Tariff, as applicable

<Designation of applicable rate per Schedule 11>

<Other Ancillary Services>

**ATTACHMENT A-1 – Form of Service Agreement for the Resale, Reassignment or
Transfer of Long-Term Firm Point-To-Point Transmission Service**

1. This Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-To-Point Transmission Service (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Assignee”).
2. The Assignee has been determined by Grant PUD to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of Transmission Provider’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller’s Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
4. Assignee and Reseller will be responsible to pay for Ancillary Services and Real Power Losses per Section 23.1.2 of the Tariff.
5. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Assignee
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

6. Specifications for the Resale, Reassignment, or Transfer of Long-Term Firm Point-To-Point Transmission Service:

6.1 Term of Transaction: _____

Start Date: _____

Termination Date: _____

- 6.2 Description of capacity and energy to be transmitted by Transmission Provider including the Balancing Authority in which the transaction originates.

6.3 Point(s) of Receipt: _____

Delivering Party: _____

6.4 Point(s) of Delivery: _____

Receiving Party: _____

6.5 Maximum amount of reassigned capacity: _____

6.6 Designation of party or parties subject to reciprocal service obligation:

6.7 Name(s) of any Intervening Systems providing transmission service:

6.8 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

6.8.1 Transmission Charge: As specified in Grant PUD's Rate Schedules

6.8.2 System Impact and/or Facilities Study Charge(s):

6.8.3 Direct Assignment Facilities Charge: _____

6.8.4 Ancillary Services Charges: _____

6.9 Name of Reseller of the reassigned transmission capacity:

7. The Tariff is incorporated herein and made a part hereof. Grant PUD may change the terms and conditions of the Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Assignee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ATTACHMENT B – Form of Service Agreement for Short-Term Firm Point-to-Point
Transmission Service and Non-Firm Point-To-Point Transmission Service**

This Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Transmission Customer”), which hereinafter may be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, Grant PUD provides Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD's Open Access Transmission Tariff; and

WHEREAS, Transmission Customer desires to obtain Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over Grant PUD’s Transmission System from time to time.

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in Grant PUD’s Open Access Transmission Tariff (“Tariff”). <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions: The terms and conditions under which short-term firm and non- firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement as Exhibit 1. Grant PUD may change the terms and conditions of the Tariff.

2.2 Eligible Customer: Transmission Customer represents that it is an Eligible Customer under the Tariff.

3. Term

3.1 Effective Date: This Service Agreement shall be effective on the date set forth above (“Effective Date”) and shall remain in effect for 5 years following the Effective Date.

3.2 Termination Due to Lack of Creditworthiness: If at any time during the term of this Service Agreement Grant PUD should require Transmission Customer, by written notice and pursuant to Section 10 of the Tariff, to provide and maintain a form of security and Transmission Customer does not comply with this requirement within a reasonable period of time, Grant PUD may terminate this Service Agreement.

3.3 Termination Due to Customer Default: Grant PUD may terminate this Service Agreement due to

default by Transmission Customer including but not limited to default per Section 7.3 of the Tariff.

- 3.4 Termination of Agreement: Except as provided in Sections 3.1, 3.2 and 3.3, this Service Agreement shall remain in effect until such time as Transmission Customer provides written notice of termination to Grant PUD.

4 Point-to-Point Transmission Service

- 4.1 Grant PUD shall provide Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service upon request by an authorized representative of Transmission Customer.
- 4.2 Transmission Customer agrees to supply information which Grant PUD deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 4.3 Grant PUD shall provide, and Transmission Customer shall take and pay for, Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service pursuant to the provisions of Part II of the Tariff and this Service Agreement.
- 4.4 The applicable charges for Short-Term Firm Point-to-Point Transmission Service shall be pursuant to Schedule 7 of the Tariff.
- 4.5 The applicable charges for Non-Firm Point-to-Point Transmission Service shall be pursuant to Schedule 8 of the Tariff.
- 4.6 The applicable Ancillary Services for each purchase of Point-to-Point Transmission Service under this Service Agreement will be determined by Transmission Provider. The applicable charges for Ancillary Services shall be pursuant to Schedules 1, 2, 3, 4, 5, 6, 9, 11, and any additional applicable Ancillary Services added to the Tariff after the Effective Date of this Service Agreement per Section 3.
- 4.7 Transmission Customer shall reimburse Transmission Provider for losses pursuant to Section 15.7 of the Tariff.

5. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: ◇

◇

◇

◇

All payments to Grant PUD shall be to the account specified on each billing invoice.

6. Resale, Reassignment, or Transfer

- 6.1 As an Eligible Customer under the Tariff, pursuant to which the transmission service rights to be

transferred were originally obtained, Transmission Customer (“Assignee”) may request and accept the resale, re-assignment or transfer of Short-Term Firm Point-to-Point Transmission Service by a Reseller.

- 6.2 The terms and conditions for any resale, re-assignment or transfer under this Service Agreement shall be subject to the terms and conditions of Part II of Grant PUD’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of the Tariff) and Assignee, which may include: contract effective and termination dates, the amount of reassigned capacity or energy, Point(s) of Receipt and Point(s) of Delivery. Changes by the Assignee to the Reseller’s Point(s) of Receipt and Point(s) of Delivery shall be subject to the provisions of Section 23.2 of the Tariff.

Grant PUD is not responsible for any payment owed to the Reseller by the Assignee.

7. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

8. Miscellaneous Provisions

- 8.1 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 8.2 Creditworthiness: Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.
- 8.3 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 8.4 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823	

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT C - Methodology to Assess Available Transfer Capability

Transmission Provider will comply with all its applicable standards and guidelines of NAESB or its successor(s) in assessing Available Transmission Capacity (ATC).

Transmission Provider details its ATC practices in the Available Transfer Capability Implementation Document (ATCID), posted on its OASIS website.

ATTACHMENT D - Methodology for Completing a System Impact Study

Grant PUD will assess the capability of its Transmission System to provide the service requested using the criteria and process for this assessment as detailed in the current applicable [FERC Form 715](#), Parts 4 and 5 of Grant PUD's annual submittal. In determining the level of capacity available for new requests for Point-to-Point Transmission Service, Transmission Provider may exclude, from capacity to be made available for new requests for Point-to-Point Transmission Service, that capacity needed to meet current and reasonably forecasted loads of Native Load Customers and Network Customers, and to meet contractual obligations existing prior to the initial implementation of the Grant PUD's OATT.

ATTACHMENT E - Index of Point-To-Point Transmission Service Customers

A list of Point-to-Point Transmission Service customers and Service Agreements can be found on Transmission Provider's OASIS.

ATTACHMENT F - Service Agreement for Network Integration Transmission Service

This document is intended to provide basic contract provisions for a Service Agreement for Network Integration Transmission Service under the Tariff and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer requesting Network Integration Transmission Service.

This NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Network Integration Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Grant PUD has determined that Transmission Customer has submitted a completed application.

<Additional recitals as necessary to provide background for Service Agreement>

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <**Transmission Customer**> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions and Incorporation of Tariff: The terms and conditions under which Network Integration Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Unless otherwise mutually agreed by the Parties, Grant PUD. may change the terms and conditions of the Tariff.

2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement: Exhibit 1 (Specifications for Network Integration Transmission Service), Exhibit 2 (Specifications and Charges for Ancillary Services), and Exhibit 3 (Network Operating Agreement).

3. Term and Regulatory Filing

3.1 Effective Date and Filing: This Service Agreement shall be effective on the date executed by both Parties.

3.2 Service Commencement Date: Service under this Service Agreement shall commence on _____.

3.3 Cancellation Rights: If any part of this Service Agreement must be changed as the result of a binding arbitration decision under Section 11 of the Tariff, Transmission Provider shall offer an amended Service Agreement reflecting such changes to Transmission Customer. In the event such amended Service Agreement is not executed by Transmission Customer within 21 days after it is offered by Transmission Provider, this Service Agreement shall be void and have no further force and effect.

3.4 Termination of Agreement: Except as provided in Section 3.3, this Service Agreement shall remain in effect through _____.

4. Network Integration Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for Network Integration Transmission Service pursuant to the Tariff. Grant PUD's obligation to provide Network Integration Transmission Service shall be subject to Grant PUD's right to Curtailment or Interruption of schedules pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists Transmission Customer's designated Network Resources and Network Loads.

4.1 Transmission Service: Section 34 of the Tariff and Exhibit 1 describe the applicable rates and charges methodology for Network Integration Transmission Service.

4.2 Direct Assignment Facilities and Low-voltage Substation and Distribution Facilities: Exhibit 1 describes the applicable rates and charges for any Direct Assignment Facilities and for service over any low-voltage substation and distribution facilities.

4.3 Power Factor Penalty Adjustment: Power delivered at each Point of Delivery shall be at a power factor greater than or equal to 0.95, leading or lagging, unless otherwise mutually agreed upon by the Parties. To compensate for deliveries made to a Point of Delivery at a power factor of less than 0.95, leading or lagging, Grant PUD may adjust the billing demand at such Point of Delivery. Grant PUD shall provide one month's notice to Transmission Customer prior to applying for any such adjustment for the first time at a Point of Delivery. Exhibit 1 describes the methodology for a power factor adjustment.

5. Other Services

As of the Service Commencement Date, Grant PUD shall provide, and Transmission Customer shall take and pay for all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

As of the Service Commencement Date, <no construction/construction> of new or additional Direct Assignment Facilities <and/or> Network Upgrades is required for Network Integration Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: <>

<>

<>

<>

All payments to Grant PUD shall be submitted via electronic funds transfer to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

- 9.1 Interconnection with Other Systems: Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.
- 9.2 Future Changes or Additions: Future changes or additions that increase Grant PUD's Transmission System capability shall not obligate Grant PUD to provide any transmission or other services in addition to those services provided under this Service Agreement, except by separate Application pursuant to Section 31.2 of the Tariff or pursuant to Grant PUD's responsibilities under Section 28.2 of the Tariff.
- 9.3 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 9.4 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 9.5 Assignment: Grant PUD may assign this Service Agreement only upon the prior written consent of Transmission Customer, provided, however, that Transmission Customer hereby consents to assignment of this Service Agreement to a successor where such successor acquires all or substantially all of Grant PUD's electric transmission assets. Transmission Customer may request an assignment of this Service Agreement. This assignment shall include all rights and post-assignment obligations associated with this Service Agreement. Such assignment shall require mutual agreement by Grant PUD and Transmission Customer, provided that Grant PUD shall not unreasonably withhold such agreement. When notice of such assignment is provided to Grant PUD, the Parties shall work in good faith to make any necessary modifications to this Service Agreement and the Network Operating Agreement, implement metering modifications, ensure compliance with the Tariff, and make any other adjustments necessary to allow such assignment to proceed. If Grant PUD withholds agreement to such assignment, Grant PUD shall

provide a detailed written explanation as to why it is withholding agreement and shall include a detailed list of remedies that would allow Grant PUD to agree to such assignment. A Party requesting assignment shall provide at least six months' prior notice to the other Party. Subject to the foregoing restrictions on assignment, this Service Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their successors and assigns.

- 9.6 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

- 9.7 Notices of an Operating Nature: Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall arrange.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1 SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Designated Network Resources

Designated Network Loads

Monthly Transmission Charge

(Pursuant to Section 34 of the Tariff)

[Applicable to new Network Customers only]

For the first twelve months of service under this Service Agreement commencing with the Service Commencement date specified in Section 3.2, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months during which Transmission Customer has taken service. After the first twelve months of service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

Monthly Charges for Direct Assignment and Low Voltage Facilities

Power Factor Penalty Adjustment

Subject to the one-month notice provision contained in Section 4.3, in Grant PUD's determination of Transmission Customer's Monthly Transmission Charge and Monthly Charges for Direct Assignment and Low Voltage Facilities, Grant PUD may adjust the monthly billing demand applicable to a Point of Delivery with a power factor of less than 0.95, leading or lagging. Such adjustment shall be made by multiplying the monthly demand by 0.95 and dividing the result by the monthly average power factor at such Point of Delivery.

Losses

Real power losses based on the delivery voltage or voltages will be charged pursuant to Section 28.5 of the Tariff.

Metering

EXHIBIT 2
SPECIFICATIONS AND CHARGES FOR ANCILLARY
SERVICES

Scheduling, System Control and Dispatch Service

(Pursuant to Schedule 1 of the Tariff)

Reactive Supply and Voltage Control from Generation or Other Sources Service

(Pursuant to Schedule 2 of the Tariff)

Regulation and Frequency Response Service

(Pursuant to Schedule 3 of the Tariff)

<Method of establishing billing determinants shall be specified >

Energy Imbalance Service

(Pursuant to Schedule 4 of the Tariff, as applicable)

Operating Reserve - Spinning Reserve Service

(Pursuant to Schedule 5 of the Tariff)

<Any exceptions or special conditions shall be specified>

Operating Reserve - Supplemental Reserve Service

(Pursuant to Schedule 6 of the Tariff)

<Any exceptions or special conditions shall be specified >

Generator Imbalance Service

(Pursuant to Schedule 9 of the Tariff, as applicable)

Other Applicable Services

ATTACHMENT G - Network Operating Agreement

This document is intended to provide basic contract provisions for a Network Operating Agreement under the Tariff and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer taking Network Integration Transmission Service.

This NETWORK OPERATING AGREEMENT ("Agreement") is attached to the Network Integration Transmission Service Agreement ("Service Agreement") between Public Utility District No. 2 of Grant County, Washington ("Grant PUD") and <Transmission Customer> ("Transmission Customer"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties," and incorporated herein.

1. Purpose of Network Operating Agreement

The purpose of this Agreement is to provide for terms and conditions associated with technical and operational issues necessary for the implementation of Network Integration Transmission Service under the Tariff. The Parties shall adhere to Good Utility Practice, including all applicable NERC, WECC and WPP reliability criteria, subject to the Agreement Limiting Liability Among Western Interconnected Systems, so long as both Grant PUD and Transmission Customer are parties to such agreement.

2. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff.

2.1 Deviation Band 1: The first band for Generator Imbalance Service per Schedule 9.

2.2 Energy Imbalance: An amount of energy determined to be an imbalance per Schedule 9.

2.3 Facility Connection Requirements: The Grant PUD Interconnection Technical Requirements, or its successor document.

3. Term

This Agreement shall become effective and remain effective concurrent with the term of the Service Agreement.

4. Network Operating Committee

4.1 Membership – The Network Operating Committee shall be composed of representatives from Grant PUD, Transmission Customer, other Network Customers of Grant PUD and Transmission Customer's wholesale utility customers that receive energy delivered under a Grant PUD Network Integration Transmission Service Agreement.

4.2 Responsibilities – The Network Operating Committee shall meet at least once per year to: (i) adopt rules and procedures consistent with this Agreement and the Tariff governing operating and technical requirements necessary for implementing Network Integration Transmission Service under the Tariff; (ii) review Network Resources and Network Loads on an annual basis in order to assess the adequacy of the Transmission System, and (iii) obtain from Grant PUD its operating policies, procedures, and guidelines for network interconnection and operation.

- 4.3 General Customer Information Requirement – Transmission Customer shall, when requested by Grant PUD, provide load forecasts, generation forecasts, schedules and any other information necessary for Grant PUD’s calculation of available transmission capability on Grant PUD’s Transmission System and for Grant PUD’s implementation of Curtailment, load shedding and congestion management procedures.
- 4.4 Designation of Transmission Customer Representatives to the Network Operating Committee - Transmission Customer will communicate to Grant PUD the name and contact information of the representatives for Transmission Customer to the Network Operating Committee. Transmission Customer may designate a primary and alternative representative and may change the designations at any time by subsequent communication.

5. Interconnection Principles and Requirements

This section needs to be completed based on the existence of an applicable Interconnection Agreement

[Grant PUD and Transmission Customer are parties to the Interconnection and Operating Agreement (<reference contract number>) (“Interconnection Agreement”) providing for, among other things, the ownership, operation and maintenance of the Parties’ interconnected electric facilities. Principles and requirements associated with the interconnection of the Parties’ electric facilities shall be pursuant to the Interconnection Agreement or its successor. If at any time Grant PUD and Transmission Customer shall fail to be parties to the Interconnection Agreement or its successor, Grant PUD may amend this Agreement to provide for the ownership, operation and maintenance of the Parties’ interconnected electric facilities.]

[Information regarding the ownership, operation and maintenance of the Parties interconnected electric facilities are specified in Attachment A to this Agreement.]

6. Interconnection of Network Resources

- 6.1 Interconnection with Grant PUD’s Transmission System – Terms and conditions for the connection of a Network Resource to Grant PUD’s Transmission System shall be pursuant to the applicable Large Generator Interconnection Procedures and/or Small Generator Interconnection Procedures under the Tariff, as applicable.
- 6.2 Interconnection with non-Grant PUD Facilities within Grant PUD Balancing Authority Area – Unless otherwise agreed upon with a third party, Transmission Customer shall be responsible for all costs associated with the connection of any generation resource, to be designated a Network Resource under the Service Agreement, to non-Grant PUD facilities within Grant PUD’s Balancing Authority Area and/or operated in parallel with Grant PUD’s electric system. Such costs shall include, but not be limited to, those costs associated with system protection requirements and revisions. All such interconnections shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice. All Network Resources shall be operated to avoid disturbances or interference with the safe and reliable operation of the Transmission System and shall be operated and maintained in accordance with NERC, WECC and WPP standards and criteria and Good Utility Practice.

7. Curtailment of Network Resources

Curtailment of Network Resources Pursuant to Section 33 of the Tariff – Consistent with Section 33 of the Tariff, Grant PUD may direct specific operation of a Network Resource, including Curtailment, without prior notice to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. Grant PUD may direct specific operation of a Network Resource, including Curtailment, on a planned basis with prior notice to facilitate maintenance on the Transmission System or to respond to a condition which may impair or degrade the reliability of the Transmission System.

Curtailment of Contract Resources –Pursuant to Section 33 of the Tariff, Grant PUD may require the Curtailment of scheduled deliveries from contract Network Resources at a specified Point of Receipt. In the event of such Curtailment Grant PUD shall, pursuant to Good Utility Practice and on a comparable basis with service to all other affected Network Customers and Grant PUD’s bundled retail Native Load Customers, accept scheduled deliveries up to an amount equal to the Curtailment at any other available Point of Receipt on Grant PUD’s system. Any Energy Imbalances outside Deviation Band 1 that are incurred for the hour in which any such Curtailment is implemented shall be settled as if such Energy Imbalances are within Deviation Band 1. If no alternative Point of Receipt is available to Transmission Customer for the following hour or hours during such Curtailment, any resulting Energy Imbalances shall continue to be settled as if they are within Deviation Band 1.

8. Scheduling

8.1 Scheduling and Schedule Revisions – Schedules for Transmission Customer’s designated Network Resources shall be submitted by Transmission Customer to Grant PUD on the Preschedule Day applicable to such service and no later than the earlier of 10:00 a.m. or such other reasonable time that is generally accepted within the region and consistently adhered to by Grant PUD. Schedules shall be stated in increments of one megawatt per hour. Electronic tag or schedule revisions for Network Integration Transmission Service will be permitted up to twenty (20) minutes prior to the start of the hour in which such scheduled power flows, *provided, however, that:*

- (a) Transmission Customer shall submit schedule or tag revisions during the normal schedule revision period ending eighty (80) minutes prior to the start of the hour in which such scheduled power flows. For example, for the flow hour beginning at 1000 hours and ending at 1100 hours, Transmission Customer shall submit any revision to an electronic tag or schedule for such hour prior to 0840 hours. Transmission Customer may further revise such electronic tag or schedule prior to 0940 hours.
- (b) Transmission Customer shall make best efforts to ensure that its 80-minutes prior schedule revision is as accurate as possible and that any 20-minutes prior schedule revision is minimized. In determining its 80-minutes prior schedule revision, Transmission Customer shall incorporate the same load forecasting tools, including, but not limited to, assumptions, measurements, algorithms and calculations, that it uses in determining any 20-minutes prior schedule revision. Transmission Customer shall not place any bounds or restrictions on its determination of its 80-minutes prior schedule revision that will limit the accuracy or otherwise restrict its 80-minutes prior schedule revision for a given hour with respect to any such determination of its 20-minutes prior schedule revision for such hour.
- (c) If at any such time Grant PUD determines that Transmission Customer’s 20-minutes prior schedule revisions are too large, Grant PUD may request that the Parties meet to address

the issue. In such event, Grant PUD shall document and justify its concerns, and the Parties shall work in good faith to address the issue.

- 8.2 Scheduling of Network Resources – Transmission Customer’s designated Network Resources under the Service Agreement amount to the purchase of system power by contract. At such time as Transmission Customer intends to designate a specific generation resource connected to Grant PUD’s Transmission System or to a third-party system as a Network Resource, the Parties shall develop applicable terms and conditions regarding the scheduling of such resource and amend this Agreement accordingly. Transmission Customer will supply a minimum of nine (9) months’ notice to facilitate the addition of a Network Resource.

Parties shall specify specific scheduling requirements based on type of resource (identified resource vs system power), resource location (on or off Grant PUD’s or Transmission Customer’s system), and scheduling type (standard, dynamic, or pseudo-tie). Transmission Customer will supply a minimum of nine (9) months’ notice if Transmission Customer plans to use a dynamic schedule or a pseudo-tie. Grant PUD may require compliance with reasonable standards for all schedules.

- 8.3 Sharing of Aggregate Schedule Information – For purposes of reliable and economic operation of Grant PUD’s Balancing Authority Area, Transmission Customer consents to Grant PUD’s transmission function passing on an aggregated sum of Transmission Customer’s schedules associated with all of its borderline wheeling loads to Grant PUD’s load-serving entity and Balancing Authority function.

9. Metering and Communications

- 9.1 Meters and Meter Reading – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing associated with the Service Agreement. As of the Effective Date, meters at the Points of Delivery are provided by

<Grant PUD/Transmission Customer>. Meters at the Point(s) of Delivery shall be read pursuant to the Meter Reading and Meter Test Procedures outlined in Section 9.4.

Exchange of Metering Data – The Party owning, operating and maintaining each meter used to determine billing associated with the Service Agreement shall provide to the other Party all hourly meter readings and any more frequent readings, if existing, from each such meter. All meter reading information for a given month shall be validated and made available to Grant PUD in the succeeding month by 10:00 a.m. of the fifth (5th) Business Day of such succeeding month. All meter reading records and scheduled amounts shall be exchanged electronically between the Parties on a monthly basis. Either Party shall notify the other as soon as practicable in the event of system configuration changes or other events which may affect meter readings or access to meter reading information including, but not limited to, advance notice of planned line and substation outages and planned communications outages.

- 9.2 Use of <Grant PUD/Transmission Customer>’s Meter Reading Information –<The Parties shall specify terms and conditions regarding the sharing of such data>.
- 9.3 Tests of Metering Installations – Each Party shall, at its expense, test its measuring installations associated with this Agreement and the Service Agreement in accordance with the Meter Reading and Meter Test Procedures outlined in Section 9.4, attached hereto. The Parties may mutually agree to use a single set of meters. In the event that a single set of meters is utilized,

tests of such meters shall be conducted jointly by the Parties in accordance with Section 9.4 and shall be witnessed and agreed to by representatives of each Party.

9.4 Meter Reading and Meter Test Procedures

- (a) Meter Readings – Meter readings associated with the delivery of electric power to the Point(s) of Delivery shall be the responsibility of the Party owning such meters. Electric power deliveries in any month shall be calculated on information based on meter readings, with any necessary date adjustments made by pro-rating metered amounts to the number of days in such month. In the event a recording metering device is installed, actual hourly and monthly energy deliveries shall be determined from the record developed. Each Party shall permit representatives of the other Party to inspect all the records relating to the delivery or transmission of electric power under the Service Agreement.
- (b) Meter Testing – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing under the Service Agreement.
 - (i) Grant PUD meters shall be tested and inspected in accordance with Grant PUD’s meter testing practices. If requested by Transmission Customer, Grant PUD shall provide copies of applicable test and calibration records and calculations. Grant PUD shall permit representatives of Transmission Customer, and/or Transmission Customer’s wholesale utility customer to be present at all times the meters are being tested. Additionally, Grant PUD shall test any or all such meters as may reasonably be requested by Transmission Customer. Reasonable costs for such requested test shall be paid by Transmission Customer unless any of the meters are found to be inaccurate, as determined by Grant PUD consistent with its practices, in which case Grant PUD shall pay for the test.
 - (ii) Transmission Customer’s meters shall be tested and inspected in accordance with Transmission Customer’s meter testing program (“Transmission Customer Program”). If requested by Grant PUD, Transmission Customer shall provide copies of applicable test and calibration records and calculations. Transmission Customer shall permit a representative of Grant PUD to be present at all times the meters are being tested. Additionally, Transmission Customer shall test any or all such meters as may reasonably be requested by Grant PUD. Reasonable costs for such requested test shall be paid by Grant PUD unless any of the meters are found to be inaccurate, as defined in Transmission Customer Program, in which case Transmission Customer shall pay for the test.
 - (iii) Each Party shall give reasonable notice of the time when any such test or inspection is to be made to the other Party who may have representatives present at such tests or inspections. Any component of such installations found to be defective or inaccurate shall be adjusted, repaired or replaced by the owner of the meter to provide accurate metering.
- (c) Adjustments – If any meter fails to register, or if the measurement made by such meter during a test made as provided below fails to meet the standards of such test, or if an error in meter reading occurs, adjustment shall be made correcting all measurements for the actual period during which such inaccurate measurements were made. Should any metering equipment at any time fail to register, or should registration thereof be so erratic as to be meaningless, the capacity, energy and reactive power delivered shall be

determined from the best available data. If an estimate is required due to metering equipment malfunction, the method of estimating capacity, energy and reactive power delivered shall be made available and agreed upon by both Parties. The approval process shall not delay billings. Such corrected measurements shall be used to re-calculate billed amounts under the Service Agreement.

- 9.5 Metering and Communications Required for Integration of Network Resources –Transmission Customer shall be directly responsible for all costs associated with the installation, operation and maintenance of any metering, communications and supervisory control and data acquisition (SCADA) equipment necessary for the integration of any Network Resource under the Service Agreement and connected to Grant PUD’s Transmission System or within Grant PUD’s Balancing Authority Area. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

Metering and Communications Required for Ancillary Services –Transmission Customer shall be responsible for all costs associated with the installation, operation, and maintenance of any metering, communications and SCADA equipment necessary for the provision of Ancillary Services by Transmission Customer or by a third party. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

- 9.6 Installation and Use of Grant PUD Meters – Notwithstanding any other provision in this Section 9, Grant PUD may at any time install meters or metering equipment to make any measurements for any Point of Delivery required for any computation or determination mentioned in this Agreement or the Service Agreement. If such meters or metering equipment are so installed, such measurements shall be used thereafter in such computation or determination.

- 9.7 Real-Time Data Acquisition – For the purpose of enabling Grant PUD to monitor the loads on its transmission system, Grant PUD may require the acquisition of real-time load data (megawatts and megavars) at Points of Delivery that have meters and metering equipment owned by Transmission Customer. The Parties shall facilitate such data acquisition pursuant to Good Utility Practice and Transmission Customer shall provide either of the following to Grant PUD:

- (a) Megawatt and megavar indications from Transmission Customer’s SCADA system, if existing, in a format agreed upon by the Parties, or
- (b) The following:
 - (i) Metering current transformers (“CTs”) and potential transformers (“PTs”),
 - (ii) Space in Transmission Customer’s substation control house or cabinet for a Grant PUD remote terminal unit or such other equipment that performs a comparable function (“Grant PUD Equipment”), to be supplied by Grant PUD and installed by _____,
 - (iii) Voltage and current indications from Transmission Customer’s CTs and PTs to the Grant PUD Equipment, and

- (iv) Space for any conduit needed by Grant PUD for its communications out of the substation.

10. Operation and Maintenance

10.1 Maintenance Scheduling and Continuity of Service – Grant PUD may Curtail or otherwise temporarily suspend service at the Points of Delivery:

- (a) pursuant to Section 33 of the Tariff; and

without prior notice of such Curtailment or temporary suspension as may be necessary due to Force Majeure pursuant to Section 9 of the Tariff. Consistent with Section 33 of the Tariff, Grant PUD shall use reasonable efforts to repair the cause of any such Curtailment or temporary suspension comparable to such reasonable efforts Grant PUD uses with respect to its Native Load Customers.

10.2 Emergency Planning and Operation – As Transmission Provider, Grant PUD is responsible for planning, coordinating and implementing emergency operation schemes applicable to Grant PUD's Transmission System. Examples of such schemes include WPP programs related to underfrequency load shedding, undervoltage load shedding and system restoration. Other schemes may be developed to meet NERC, WECC or WPP reliability planning and operations objectives. Transmission Customer shall:

- (a) participate in the development and implementation of such load shedding and other programs to facilitate system reliability and security;
- (b) install and maintain or, in the alternative, require its wholesale utility customer served via the Service Agreement to install and maintain, any required load shedding relays, including underfrequency and undervoltage relays; and
- (c) participate in system restoration planning.

11. Miscellaneous

11.1 Supremacy of Tariff – In the event of any irreconcilable difference between the Tariff and this Agreement, the language of the Tariff shall govern.

11.2 Notices – Any formal notice to be served, given or made in connection with this Agreement shall be in writing and shall be directed as provided in the Service Agreement. Notices of an operating nature shall be given as provided in the Service Agreement.

11.3 Assignment – Any assignment of this Agreement shall be pursuant to the terms of assignment in the Service Agreement.

11.4 Amendment – From time-to-time Grant PUD may amend this Agreement. Grant PUD shall provide reasonable prior notice of any such amendment to Transmission Customer and the Parties shall work in good faith to reach consensus on the content of such amendment. Any such amendment shall become effective upon approval by the Grant PUD Commission. Any amendment will have only prospective effects.

**ATTACHMENT H - Annual Transmission Revenue Requirement for Network Integration
Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$21,487,908.00.
2. The amount in (1) shall be effective until amended by Transmission Provider or modified by the Commission.

ATTACHMENT I - Index of Network Integration Transmission Service Customers

A list of Network Integration Transmission Service customers and Service Agreements can be found on Transmission Provider's OASIS.

ATTACHMENT J - Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), Reliability Standard [IRO-006-WECC-3](#) and any amendments thereto, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC

ATTACHMENT K - Transmission Planning Process

Section 1. Definitions

The following terms have the following definitions when used in this Attachment K. Other initially capitalized terms used in this Attachment K shall have the meanings set forth in the Tariff.

Confidential Information means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

Critical Energy Infrastructure Information or **CEII** means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

Grant PUD Plan means Transmission Provider’s plan that identifies planned new transmission facilities and facility replacements or upgrades for the Transmission System.

Material Adverse Impact means one or more significant and verifiable adverse impacts on any electrically interconnected transmission system that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

NorthernGrid means the association described in Part C of this Attachment K.

Person means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), tribes, or organization recognized as a legal entity by law in the United States or Canada.

Planning Cycle means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create a regional transmission plan.

Public Policy Requirement means any applicable requirement established through one or more enacted statutes or regulations promulgated by a local, state, or federal governmental authority.

WECC means the Western Electricity Coordinating Council or any successor entity.

Western Interconnection refers to the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

Section 2. Local Transmission Planning Process

2.1 Development and Update of Grant PUD Plan

Transmission Provider shall prepare one local transmission plan—the Grant PUD Plan—during each two-year study cycle. Transmission Provider shall prepare the Grant PUD Plan in year one and provide any necessary updates to the Grant PUD Plan in year two. The Grant PUD Plan will identify transmission needs over the ensuing ten-year planning horizon and potential solutions to those needs.

2.2 Grant PUD Plan Availability

The main body of the Grant PUD Plan will be made publicly available and posted on Transmission Provider’s public website. However, Critical Energy Infrastructure Information (CEII) may be included in an appendix to the Grant PUD Plan, and disclosure of any such CEII by Transmission Provider shall be subject to the provisions in Attachment K Section 2.8 “Confidential Information and CEII”.

2.3 Integrated Resource Planning

The Transmission Provider’s state planning group is to take the Grant PUD Plan into consideration, to the extent required by state law, when preparing its next state-required integrated resource plan and, as appropriate, when preparing studies.

2.4 Reliability Studies

Transmission Provider will perform or cause to be performed reliability studies with respect to the Transmission System to assess whether applicable North American Electric Reliability Corporation, WECC, and local reliability standards are met for the ten-year planning horizon.

2.5 Planning Study Methodology

The Grant PUD Plan will be based on seasonal reliability studies that include load flow, short circuit, and stability analyses. The primary data source for the analyses will be WECC base case data. Base case software analysis will be performed using software commonly accepted in the industry.

2.5.1 Identification of Needs

The factors considered when selecting local transmission needs (including those driven by Public Policy Requirements) for analysis in developing the Grant PUD Plan shall include the following:

- a. the level and form of support for addressing the potential local transmission need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the potential local transmission need);
- b. the feasibility of addressing the potential local transmission need;
- c. the extent, if any, that addressing the potential local transmission need would also address other potential transmission needs; and,
- d. the factual basis supporting the potential local transmission need.

No single factor shall necessarily be determinative in selecting any potential local transmission need for analysis in developing the Grant PUD Plan.

2.5.2 Identification of Solutions

Transmission Provider will identify solutions to the local transmission needs. The factors considered when selecting solutions to the local transmission needs in the Grant PUD Plan shall include the following:

- a. sponsorship and degree of development of proposed solution;
- b. feasibility;
- c. coordination with any affected transmission system;
- d. economics;
- e. effectiveness of performance of wired, non-wired and/or a combination of wired and non-wired solutions;
- f. satisfaction of identified local transmission needs, including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- g. mitigation of any Material Adverse Impacts on any transmission system;
- h. consistency with applicable state, regional, and federal planning requirements and regulations; and,
- i. consistency with such additional criteria as are then accepted or developed by Transmission Provider.

No single factor shall necessarily be determinative in evaluating proposed solutions in developing the Grant PUD Plan.

Additional information regarding Transmission Provider's planning study methodology and guidelines will be posted from time-to-time on its public website.

2.6 Formatting of Grant PUD Plan; Contact Person

- a. The Grant PUD Plan shall be written, as feasible, in a non-technical manner. Technical studies may be included in the appendices of the Grant PUD Plan to support the findings of the local planning process, subject to CEII restrictions.
- b. The Grant PUD Plan shall include a point of contact for the Transmission Provider to answer questions, subject to CEII restrictions, related to modeling criteria, assumptions and the data underlying the results and proposed projects included in the Grant PUD Plan.

2.7 Attachment K Planning Costs

Transmission Provider will not provide reimbursement of any costs incurred by any Persons participating in the planning processes under this Attachment K. Except as may be otherwise provided in this Attachment K, the Transmission Provider's costs associated with the Attachment K processes, including Transmission Provider's share of the NorthernGrid planning costs, will be subject to recovery in Transmission Provider's rates.

2.8 Confidential Information and CEII

2.8.1 WECC Proprietary, Confidential and Sensitive Information

Transmission Provider's transmission planning studies may include base case data that are WECC proprietary data and the sharing of certain WECC data will need to adhere to applicable WECC information sharing policies and/or procedures. A requester must demonstrate to Transmission Provider's satisfaction that it has received written permission from WECC for Transmission Provider to disclose WECC proprietary data, such as base case data, to requester.

2.8.2 RC West Data

Transmission Provider may possess confidential information as defined in the California Independent System Operator Reliability Coordinator Services Agreement as updated from time-to-time (the "RC Agreement"), which is accessible in accordance with the terms of the RC Agreement. A requester must demonstrate to Transmission Provider's satisfaction that it has received written permission from the California Independent System Operator for Transmission Provider to disclose confidential RC Agreement information to requester.

2.8.3 Confidential Data and CEII Data Requests

A requester may request CEII, confidential, or proprietary information using the procedures set forth below. As used in these procedures, CEII has the meaning given to such term in 18 C.F.R. 388.113, as such term may be amended from time to time, and interpreted by Transmission Provider. Confidential and proprietary information are information designated as such by Transmission Provider.

- a. Only an individual may request information. Requests may not be made on behalf of groups, organizations, businesses, or the like.
- b. Requester shall deliver a fully executed Non-Disclosure Agreement ("NDA") to Transmission Provider at the following address:

Grant PUD
Attn: Senior Manager Transmission Business Services
P.O. Box 878
Ephrata, WA 98823

- c. To the fullest extent practicable, requester will provide specific, detailed information in the General Critical Energy Infrastructure Information and Confidential Information Request Form to facilitate Transmission Provider's efficient review of the request. If Transmission Provider accepts requester's application, the General Critical Energy Infrastructure Information and Confidential Information Request Form will become part of requester's NDA pursuant to the terms of the NDA.

- d. As part of the application, requester must show to Transmission Provider's satisfaction and approval that the requester has a legitimate interest in and legitimate need for the requested information from Transmission Provider.
- e. If the request is for materials proprietary to the WECC (such as base case data), NorthernGrid, or any other entity, requester must also attach to the request proof of agreement to any nondisclosure agreements or other agreements required by such entities.
- f. Transmission Provider will make a determination of whether it considers the requested information to be CEII or otherwise confidential and whether to comply with the request or deny the request in whole or in part. Transmission Provider's determination on whether to grant a request is based upon, among other factors Transmission Provider deems relevant at the time of the request, the requester's legitimate need for the information, the extent to which the requester intends to use the information, the requester's technical ability to make use of the information, to whom the requester intends to share the information, and Transmission Provider's belief in the extent to which the requester is willing and capable of complying with the NDA.
- g. Transmission Provider will notify the requester within 20 working days after Transmission Provider's receipt via postal service of the request of its determination. If Transmission Provider determines that the requester is eligible to and should receive the requested information, Transmission Provider will determine what additional conditions beyond the NDA, if any, to place on the release of the information and may forward a supplemental nondisclosure form to the requester for execution.

Section 3. NorthernGrid's Enrolled Region Transmission Planning Process

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning. NorthernGrid also facilitates compliance with certain Commission transmission planning directives for the parties enrolled in NorthernGrid's regional transmission planning process. Transmission Provider participates in NorthernGrid's transmission planning processes, including sharing the Grant PUD Plan with NorthernGrid.

NorthernGrid develops a regional transmission plan each Planning Cycle. Each Planning Cycle considers a ten-year planning horizon to commence on the first day of that Planning Cycle. The regional transmission plan is not intended to be a construction plan; however, the regional transmission plan is intended to provide insight and information regarding regional transmission planning.

Transmission Provider is a member of NorthernGrid enrolled in NorthernGrid's regional transmission planning process. Transmission Provider does not participate in NorthernGrid's Enrolled Region or Interregional processes. Descriptions of NorthernGrid's Enrolled Region and Interregional processes can be found on NorthernGrid's website at www.northerngrid.net.

ATTACHMENT L - Creditworthiness Procedures

To determine the ability of Transmission Customer to meet its obligations related to Transmission Service, Transmission Provider will employ the following credit procedures:

1. **Credit Application** – Prior to a Transmission Customer or potential Transmission Customer receiving Transmission Service, the Transmission Customer must submit a credit application in the form of Appendix 1. This credit application, along with other required data described in this Attachment L, will form the basis for determining Transmission Customer’s financial creditworthiness. Transmission Provider will estimate Transmission Customer’s total Transmission Service charges for a three-month period and provide such estimate to Transmission Customer. If Transmission Provider determines that Transmission Customer’s (or its Guarantor’s) financial creditworthiness is sufficient to support it, Transmission Provider will extend unsecured credit to Transmission Customer for up to three months of Transmission Service charges. An acceptable corporate guaranty is an irrevocable and unconditional corporate guaranty obtained from a parent or an affiliate of Transmission Customer (“Guarantor”) guaranteeing the full and prompt payment of all amounts payable by Transmission Customer under the Service Agreements. The Guarantor must meet the same creditworthiness requirements imposed on Transmission Customer in this Attachment L. The corporate guaranty must clearly state (a) the identity of the Guarantor; and (b) the relationship between the Guarantor and Transmission Customer; and must name (c) Transmission Provider as the beneficiary of the guaranty. The corporate guaranty must be duly authorized by the Guarantor, must be signed by an officer of the Guarantor, and must be accompanied by an executed and sealed Secretary’s Certificate stating that the Guarantor is duly authorized to provide such guaranty and the person signing the corporate guaranty is duly authorized. If Transmission Customer’s (or its Guarantor’s) financial creditworthiness is insufficient to support an extension of unsecured credit for the three months of charges, a lesser amount of credit may be extended by Transmission Provider, and Transmission Customer will need to make prepayments, increase settlement frequency, or post-Performance Assurance (as defined in this Attachment L) in form acceptable to Transmission Provider, in order to achieve the same quality of guaranty as the three-month value. If Transmission Provider determines that it is not able to support any extension of unsecured credit, Transmission Provider will require Transmission Customer to provide Performance Assurance equal to three months of Transmission Service charges. Transmission Customer must provide requested Performance Assurance by the later of either (i) the last Business Day before Transmission Service begins or (ii) the fifth Business Day after Transmission Provider requests the Performance Assurance from Transmission Customer.
2. **Other Requirements** – In addition to the credit application, a Transmission Customer must submit both quantitative and qualitative data to support Transmission Provider’s financial creditworthiness analysis. Transmission Customers must provide financial statements as well as any related information that Transmission Provider requests within ten Business Days of such request. The data submitted must demonstrate Transmission Customer’s ability to meet its payment obligations to Transmission Provider (“Obligations”) on an unsecured basis or, prior to receiving or continuing to receive Transmission Service, Transmission Provider will require Transmission Customer to provide Performance Assurance. A Transmission Customer that provides Performance Assurance may still be required to provide financial statements and other information. In determining if unsecured credit will be extended, and in what amount, Transmission Provider will consider rating agency reports; financial conditions as demonstrated by Transmission Customer’s (or its Guarantor’s) financial statements and related information; references; records of litigation; commitments and contingencies; and other quantitative and qualitative information obtained in the creditworthiness due diligence process.

(a) **Rating Agency Reports** – A Transmission Customer is sufficiently creditworthy to take or continue

taking Transmission Service without furnishing additional Performance Assurance if Transmission Customer's (or its Guarantor's) corporate Senior Unsecured Debt Rating or Long-Term Issuer Credit Rating is a minimum of "BBB-" by Standard and Poor's or Fitch; or if Transmission Customer is rated a minimum "Baa3" by Moody's. If a Transmission Customer's (or its Guarantor's) debt is not rated by any rating agency, Transmission Customer may still be extended unsecured credit following a financial analysis coupled with a satisfactory history of payments to Transmission Provider or another utility, or a demonstrated and consistent record of compliance with the terms of the Service Agreement and the Tariff of Transmission Provider.

- (b) Financial Statements and Related Information – Each Transmission Customer must submit audited or otherwise acceptable financial statements for itself or its Guarantor for at least the immediately preceding three fiscal years, or the period of Transmission Customer's existence, if shorter. Additionally, each Transmission Customer may be asked to submit current fiscal year interim unaudited financial statements for itself or its Guarantor, if available. The information should include the following:
- (i) if publicly traded:
 - 1. Annual and quarterly reports on Form 10-K and Form 10-Q, respectively
 - 2. Form 8-K reports, if any.
 - (ii) if privately held:
 - 1. Management's discussion and analysis
 - 2. Report of independent accountants
 - 3. Audited Financial statements, including:
 - balance sheet
 - income statement
 - statement of cash flows
 - statement of stockholders' equity
 - 4. Notes to financial statements
- (c) References – Each Transmission Customer must provide bank and utility credit references. If Transmission Customer does not have utility references, vendor references may be substituted.
- (d) Litigation, Commitments, and Contingencies – Each Transmission Customer is required to provide information about any known or anticipated material litigation, commitments, or contingencies, as well as any prior bankruptcy declarations or material defalcations by Transmission Customer or its predecessors.
- (e) Ongoing Financial Review – On an ongoing basis, Transmission Customer is required to submit its (or its Guarantor's) current rating agency report and recent financial statements, 10-Ks, 10-Qs, and 8-Ks, promptly upon their issuance. In addition, each Transmission Customer must inform Transmission Provider, in writing, within five Business Days of any material change in its financial condition. A material change in financial condition may include, but is not limited to, the following:
- change in ownership by way of a merger, acquisition, or substantial sale of assets
 - a downgrade of long- or short-term debt rating by a major rating agency;
 - being placed on a credit watch with negative implications by a major rating agency;
 - a bankruptcy filing;
 - any action requiring filing of a Form 8-K;

- a declaration of or acknowledgement of insolvency;
- a report of a significant quarterly loss or decline in earnings;
- the resignation or termination of a key officer;
- the issuance of a regulatory order or the filing of a lawsuit that could materially adversely impact current or future financial results.

A Transmission Customer's failure to provide this information may constitute default under the Service Agreements. If there is a material adverse change in the financial condition of Transmission Customer (or its Guarantor), Transmission Provider may require Transmission Customer to provide additional Performance Assurance. If this additional Performance Assurance is not provided within three Business Days of Transmission Provider's request, Transmission Customer will be in default of its Service Agreement. Upon written request of Transmission Customer, Transmission Provider will provide a written explanation of the reason for any change in the financial creditworthiness or Performance Assurance Requirements.

3. **Performance Assurance** – Transmission Customers that are unable to meet the financial creditworthiness requirements based on Transmission Provider's credit review process, or whose Obligations are greater than the amount of unsecured credit available to them, must provide one of the forms of Performance Assurance that are described below in order to receive or continue receiving Transmission Service. The amount of the Performance Assurance required ("Performance Assurance Requirement") will be based upon Transmission Customers' estimated or established Transmission Service charges for a three-month period. If Transmission Customer's actual transmission charges for any three-month period exceed the estimated transmission charges, the Performance Assurance Requirement will increase to the level of the actual Transmission Service charges. All costs associated with obtaining Performance Assurance are the responsibility of Transmission Customer. Transmission Provider may waive the Performance Assurance requirements to accommodate small or short-term Obligations. Performance Assurance will be returned when Transmission Service has been terminated and all Obligations have been paid in full.

- (a) **Letter of Credit** – An acceptable letter of credit is an unconditional irrevocable standby letter of credit for the full value of the Performance Assurance Requirement. The letter of credit shall provide that it will renew automatically except upon at least 90 days' prior notice from the issuing bank, or such other terms that Transmission Provider may reasonably agree to. The letter of credit must clearly state the full names of the "Issue" and "Account Party;" must name Transmission Provider as the beneficiary; must state the dollar amount available for drawing; and must be unconditional. It must specify that funds will be disbursed upon presentation of the drawing certificate. The draw statements drafted in the letter of credit must be in form acceptable to Transmission Provider. The bank issuing the letter of credit must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch or "A1" by Moody's, and be an entity organized under the laws of the United States of America or any state thereof, or a domestic branch of a foreign entity, having capital and surplus of at least one billion dollars (\$1,000,000,000) or assets of at least ten billion dollars (\$10,000,000,000). If the letter of credit amount falls below the Performance Assurance Requirement because of a claim for payment, it must be replenished immediately; otherwise, Transmission Provider may declare Transmission Customer to be in default under one or more of the Agreements.
- (b) **Cash Deposit** – Transmission Customer may provide a cash deposit in an amount equal to the Performance Assurance Requirement. Transmission Customer must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch, or "A1" by Moody's to use a cash deposit to meet the Performance Assurance

Requirement. If Transmission Customer has provided a cash deposit and its rating falls below these minimums, Transmission Customer will be required to transition to a letter of credit to meet the Performance Assurance Requirement. The cash deposit will be held in a depository account by Transmission Provider and will not accrue interest. Transmission Provider may apply amounts in the depository account to meet Transmission Customer's Obligations to Transmission Provider. If it is necessary to use all or a portion of the cash deposit to pay Transmission Customer's Obligation, the cash deposit must be replenished to the required level, or initial deposit level, within 30 days; otherwise, Transmission Customer may be in default under one or more of the Service Agreements. Transmission Provider will promptly return the cash deposit after receiving an acceptable letter of credit, or when Transmission Customer no longer has a Performance Assurance Requirement.

4. Credit Limitations

- (a) Notification – A Transmission Customer will be notified when its outstanding Obligations to Transmission Provider for Transmission exceed the amount of unsecured credit that Transmission Provider has extended to Transmission Customer.
 - (b) Suspension – A Transmission Customer that fails to maintain acceptable Performance Assurance is subject to suspension from scheduling any Transmission Service until such time that Transmission Customer meets the Performance Assurance Requirement. Additionally, Transmission Provider may take such actions as may be required or permitted under the Service Agreements to terminate Transmission Customer's ongoing Transmission Service. Failure to comply with the terms described herein constitutes a default under one or more of the Service Agreements.
 - (c) Invoices and Payment – Invoices shall be rendered to each Transmission Customer as provided in the Tariff. Payments to Transmission Provider must be made by the due date per the requirements of Section 7 in the Tariff.
5. **Default** – Failure to comply with the credit requirements or terms of the Service Agreements shall be considered a default by a Transmission Customer under one or more of the applicable Service Agreements.

Appendix 1 to Attachment L
CREDIT APPLICATION FOR TRANSMISSION CUSTOMER

Additional information may be required based on the evaluation of the information below.

Applicant's Full Legal Name:	
Is the Applicant an Established Counterparty with Grant PUD?	☐ Yes ☐ No If Yes, the rest of the application does not need to be completed.
Premise Address and Phone Number:	
Billing Address and Phone Number:	
Business Type:	☐ Proprietorship ☐ Partnership ☐ Corporation ☐ LLC ☐ LLP ☐ Other: _____
D&B No.:	
Principal Business of Firm:	
Year Business Started:	
Is Corporate Stock Publicly Traded?	☐ Yes ☐ No
If Yes, what is the ticker symbol?	
Credit Contact Name, Phone, and Email:	
Senior Unsecured Credit Ratings:	Moody's _____ S&P _____ Fitch _____

Bank References:

	Name	Address	Phone	Credit Limit
1.				
2.				

Utility Trade References:

	Name	Address	Phone	Credit Limit
1.				
2.				
3.				

The undersigned, being authorized and acting on behalf of the Applicant:

- 1. Hereby authorizes Public Utility District No.2 of Grant County, Washington (Grant PUD) to make such inquiries as necessary to obtain credit information and authorizes our bank(s) of record to release credit information regarding our account(s);
- 2. Hereby represents and warrants that any and all information, including Financial Statements, now or hereafter supplied by applicant are certified to be true and correct; and
- 3. Hereby agrees buyer shall make purchases from Grant PUD pursuant to procedures established in Contract(s) with Grant PUD. All purchases shall be subject to acceptance by Grant PUD and shall be governed solely by the terms and conditions of the Contract(s). No additional or different provisions contained in the buyer's purchases orders, other business forms, or correspondence should be of any force whatsoever.

Any changes or modifications to the above terms will result in the rejection of the credit application.

Signature: _____
Print Name: _____
Title: _____
Date: _____

ATTACHMENT M - Transmission Line Ratings

1. **General:** Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service. Transmission Line Ratings are determined by equipment manufacturers published ratings in accordance with industry rating practices and industry standards such as IEEE and ANSI.

Transmission Line Ratings shall respect the most limiting applicable Equipment Rating of the individual equipment that comprises that transmission line. Established Equipment Ratings shall be determined based upon manufacturer's published ratings and conform to manufacturer's specified operating limitations. Should operating conditions fall outside of the established limitations, the equipment shall be derated in accordance with applicable good utility practice.

2. **Definitions:**

The following definitions apply for purposes of this Attachment:

Emergency Rating: A Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

Equipment Rating: The maximum and minimum voltage, current, frequency, real and reactive power flows on individual equipment under steady state, short-circuit, transient, and specified ambient conditions, as permitted or assigned by the equipment owner.

Near-Term Transmission Service: Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service, including, but not limited to, a request for Available Transfer Capability (ATC), or to the posting of ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. "Near-Term Transmission Service" includes any Point-To-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

Seasonal Line Rating: A Transmission Line Rating that:

- (a) Applies to a specified season, where seasons are defined by Transmission Provider to include not fewer than three seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.
- (b) Reflects an assumed ambient air temperature and other ambient conditions, across the relevant season over which the rating applies.
- (c) Is updated upon recognized changes to equipment and/or assumptions.

Transmission Line Rating: The maximum transfer capability of a transmission line, computed in accordance with a written Transmission System Facility Ratings methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not

limited to, circuit breakers, conductors, and transformers.

3. **System Reliability:** If Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then Transmission Provider may use such an alternate rating. Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.
4. **Obligations of Transmission Provider:** Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail or interrupt any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services. Transmission Provider must use uniquely determined Emergency Ratings, where applicable, for contingency analysis in the operations horizon and in post-contingency simulations of constraints. In developing assumptions of ambient conditions for Seasonal Line Ratings, Transmission Provider must develop such assumptions consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with transmission providers: Transmission Provider must share, upon request by any transmission provider and in a timely manner, the following information:

1. Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and
2. Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in item (1) above.

ATTACHMENT N – Standard Large Generator Interconnection Process and Interconnection Agreement



Large Generator Interconnection Procedures (LGIP)

Public Utility District No. 2 of Grant County, Washington

VERSION HISTORY

Revision No.	Date	Description
0	8/8/2024	Initial Effective Date
1	3/12/2026	Added definition of Inverter Based Resource and Permissible Modification. Replaced reference to Grant with “Transmission Provider” Added Section 2.5 regarding Modifications to Existing Generating Facilities. Revised Sections 3.4.2 (vi), 7.5 (b) and 8.1 (3) to remove reference to ‘surety bond’ acceptance. Updated Appendix 1 to include additional data fields for clarity. Revised Appendix 2, Section 7.3 , Appendix 3, Section 6.3, Appendix 4, Section 7.3 and Appendix 7, Section 7.3, Appendix 8, Section 7.3 disclosure obligations per legal. Revised Appendix 5, LGIA to align changes made to LGIP. Revised Appendix 9, Sections 4.5 and 4.6, and Appendix 10, Section 4.5 and 4.6 to reflect interest application in accordance with Grant’s CSP. Revised Section 13.1 Confidentiality language to recognize obligation to comply with RCW 42.56.

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1. Definitions

Affected System - An electric system affected by a proposed interconnection in a different electric system.

Affected System Facilities Construction Agreement - The agreements contained in Appendix 9 and Appendix 10 to this LGIP that are made between Transmission Provider and Affected System Interconnection Customer(s) to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Interconnection Customer - Any entity that submits an interconnection request for a generating facility to a transmission system other than Transmission Provider's Transmission System that may cause the need for Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Network Upgrades - The additions, modifications, and upgrades to Transmission Provider's Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than Transmission Provider's Transmission System.

Affected System Operator - The entity that operates an Affected System.

Affected System Queue Position - The queue position of an Affected System Interconnection Customer in Transmission Provider's interconnection queue relative to Transmission Provider's Interconnection Customers' Queue Positions.

Affected System Study - The evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than Transmission Provider's Transmission System that have an impact on Transmission Provider's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement - The agreements contained in Appendix 7 and Appendix 8 to this LGIP that are made between Transmission Provider and Affected System Interconnection Customer(s) to conduct an Affected System Study.

Affected System Study Report - The report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

Affiliate - With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services - Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations - All duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority - The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area - 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.

Base Case - The base case power flow, short circuit, and stability data bases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Breach - The failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party - A Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day - Monday through Friday, excluding Federal Holidays.

Calendar Day - Any day including Saturday, Sunday or a Federal Holiday.

Cluster - A group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Request Window - The time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy - A restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report - The report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting - The meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study - The evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement - The agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process - The following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report - The report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting - The meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering - The process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of this LGIP.

Commercial Operation - The status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date - The date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit - A deposit paid as set forth in Sections 3.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information - Any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Customer Engagement Window - The time period set forth in Section 3.4.5 of this LGIP.

Default - The failure of a Breaching Party to cure its Breach in accordance with Section 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution - The procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System - Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades - The additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition - A condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service - An Interconnection Service that allows Interconnection Customer to connect its Generating Facility to Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement - An agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law - Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act - The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC - The Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, pandemic, epidemic, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility - Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity - The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice - Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances - Any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date - The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date - The date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer - Any entity, including Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities - All facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment

necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities - Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Study - A study conducted by Transmission Provider or a third-party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of this LGIP.

Interconnection Facilities Study Agreement - The form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report - The report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request - An Interconnection Customer's request, in the form of Appendix 1 to this LGIP, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service - The service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, Transmission Provider's Tariff.

Interconnection Study - Any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, and a Material Modification assessment, described in this LGIP.

Inverter Based Resource - A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

IRS - The Internal Revenue Service.

Joint Operating Committee - A group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility - A Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit - The deposit Interconnection Customer submits when returning the executed LGIA.

Loss - Any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification - Those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment - All metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement - The agreement contained in Appendix 10 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Multiparty Affected System Study Agreement - The agreement contained in Appendix 8 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Natural and Cultural Resource Review Process (NCRRP) – A project review process conducted by the Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Network Resource - Any designated generating resource owned, purchased, or leased by a Network Customer for the purpose of using Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis except for purposes of fulfilling obligations under a reserve sharing program.

Network Resource Interconnection Service - An Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with Transmission Provider's Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market-based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades - The additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Non-Usage – Non-Usage refers to charges that do not depend on actual generation of the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred, is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Notice of Dispute - A written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Open Access Same-Time Information System (OASIS) - An electronic posting system that the Transmission Service Provider maintains or subscribes to for the posting of transmission access data and that allows all transmission customers to view the data simultaneously, and/or a webpage or a collection of webpages on which information and links relevant this LGIP are posted.

Optional Interconnection Study - A sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement - The form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

Party or Parties - Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Modification – Any modification permitted under Section 2.5 of this LGIP.

Permissible Technological Advancement – Proposed technological change to turbines, inverters, plant supervisory control, or other similar advancements proposed in the Interconnection Request that does not (i) increase the capability of the Generating Facility as specified in the original Interconnection Request, (ii) represent a different fuel type from the original Interconnection Request; or (iii) cause any material adverse impact(s) on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

Point of Change of Ownership - The point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities.

Point of Interconnection - The point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

Predicate Facilities - Those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Proportional Impact Method - A technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Regulatory Limitations - A federal, state, Tribal, or local law that makes it practically infeasible to obtain site control within the time frame detailed in the pro forma LGIP. Failure to obtain a permit to construct a Generating Facility is not in itself a Regulatory Limitation.

Qualified Change – Any change that (i) increases the capability of the Generating Facility as specified in the original Interconnection Request, (ii) represents a different fuel type from the original Interconnection Request; or (iii) causes any material adverse impact(s) on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

Qualified Small Generating Facility - A Small Generating Facility that has a Generating Facility Capacity of at least 10 kW that does not meet the criteria for the Fast Track Process as described in Transmission Provider's SGIP.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of this LGIP.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement or this LGIP, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting - The meeting between representatives of Interconnection Customer(s) and Transmission Provider conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control - The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or 3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Transmission Provider will maintain acreage requirements for selected Generating Facility types on its OASIS or public website.

Small Generating Facility - A Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Small Generator Interconnection Agreement (SGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility.

Small Generator Interconnection Procedures (SGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility.

Standard Large Generator Interconnection Agreement (LGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility.

Standard Large Generator Interconnection Procedures (LGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility and a Qualified Small Generating Facility as specified in Transmission Provider's SGIP.

Substation Network Upgrades - Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service - Any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Network Upgrades - Network Upgrades that are required beyond the substation located at the Point of Interconnection.

System Protection Facilities - The equipment, including necessary protection signal communications equipment, required to protect (1) Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on Transmission Provider's Transmission System or on other delivery systems or other generating systems to which Transmission Provider's Transmission System is directly connected.

Tariff - The Transmission Provider's Open Access Transmission Tariff as approved by the Transmission Provider's Board of Commissioners. Prior to the Transmission Provider's Board of Commissioners' approval of an Open Access Transmission Tariff, Tariff includes any agreement executed between Customer and Transmission Provider's governing transmission service and interconnection service.

Transmission Owner - An entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Planning Guidelines - A Transmission Provider document that specifies certain technical requirements for expanding the Transmission Provider Transmission System.

Transmission Provider - Public Utility District No. 2 of Grant County, Washington.

Transmission Provider's Interconnection Facilities - All facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Transmission System - The facilities owned, controlled or operated by Transmission Provider or Transmission Owner that are used to provide transmission service.

Trial Operation - The period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Withdrawal Penalty - The penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation as determined by the Transmission Provider. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures

Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Large Generating Facility. Unless otherwise stated in Transmission Provider's Small Generator Interconnection Procedures, Sections 2 through 10, 13.3, 13.4 of this LGIP and the applicable appendices of this LGIP that apply to processing an Interconnection Request pertain to a Qualified Small Generating Facility. A Qualified Small Generating Facility will be considered a Large Generating Facility for the purpose of implementing the applicable sections of this LGIP. Upon completion of the study process, a Qualified Small Generating Facility will be offered an SGIA per the terms of the SGIP.

2.2 Comparability

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider shall process and analyze Interconnection Requests from all Interconnection Customers comparably, regardless of whether the Generating Facilities are owned by Transmission Provider, its subsidiaries, Affiliates or others.

2.3 Base Case Data

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a business case proposal has been submitted and approved by the Transmission Provider's capital project approval process.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

2.5 Modifications to Existing Generating Facilities

2.5.1 Permissible Modifications

An Interconnection Customer with an existing Generating Facility is permitted to make modifications to the Existing Generating Facility under this Section 2.5.1, if the modifications do not increase the Generating Facility Capacity or have an impact on the Transmission System that would require a new Interconnection Request.

2.5.2 Transmission Provider's Sole Discretion

Transmission Provider, at its sole discretion, will determine whether the proposed changes by Interconnection Customer require a new Interconnection Request. Transmission Provider may perform any necessary additional studies to determine whether the proposed modifications require a new Interconnection Request. Interconnection Customer shall be responsible for any cost of additional studies.

2.5.3 Modifications to Applicable Agreements

Transmission Provider shall determine the necessary changes to Interconnection Customer's applicable LGIA and/or other interconnection agreements. Prior to making any Permissible Modifications under Section 2.5.1, Interconnection Customer shall sign a revised LGIA and/or interconnection agreement.

3. Interconnection Requests

3.1 Study Deposit

Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a non-refundable application fee of \$5,000, and a refundable study deposit of:

- a. \$20,000 plus \$1,000 per requested MW for Interconnection Request $\leq$ 20 MW, or:

- b. \$35,000 plus \$1,000 per requested MW for Interconnection Requests > 20 MW < 80 MW; or
- c. \$150,000 for Interconnection Requests $\geq$ 80 MW < 200 MW; or
- d. \$250,000 for Interconnection Requests $\geq$ 200 MW.

Transmission Provider shall apply the study deposit toward the cost of the Cluster Study Process.

3.1.1 Submission

Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Requests, Transmission Provider may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also would be borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Section 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed LGIA.

Transmission Provider shall have a process in place to study Generating Facilities that include at least one electric storage resource using operating assumptions that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the proposed charging behavior is not practical to incorporate in the Cluster Study, in which case Transmission Provider will use a charging behavior Transmission Provider considers practical. If Transmission Provider finds Interconnection Customer's requested operating assumptions conflict with Good Utility Practice or are not considered practical, Transmission Provider must provide Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) Calendar Days before the end of the Customer Engagement Window and allow Interconnection

Customer to revise and resubmit requested operating assumptions one time at least ten (10) Calendar Days prior to the end of the Customer Engagement Window. Transmission Provider shall study these requests for Interconnection Service, with the study costs borne by Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Section 6 of the LGIA. The necessary control technologies and protection systems shall be set forth in Appendix C of Interconnection Customer's LGIA.

3.2 Identification of Types of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under Energy Resource Interconnection Services to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service

3.2.1.1 The Product

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study

The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1.2, unless the Transmission Provider (1) determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study

The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, except for Generating Facilities that include at least one electric storage resource that request to use, and for which Transmission Provider approves, operating assumptions pursuant to Section 3.1.2, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, Transmission Provider must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service

Transmission Provider must provide a process that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its Affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its Affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers at the discretion of the Transmission Provider.

3.3.1 Surplus Interconnection Service Requests

Surplus Interconnection Service requests may be made by the existing Interconnection Customer or one of its Affiliates or may be submitted after the Interconnection Customer has executed the LGIA. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for the Surplus Interconnection Service,

both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

Transmission Provider shall study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or Transmission Provider determines the proposed charging behavior to not be practical for the study process as indicated in Section 3.1.2.

3.4 Valid Interconnection Request

3.4.1 Cluster Request Window

All applications for Interconnection Service submitted after October 1, 2023 will be subject to this LGIP. The timeline of the initial Cluster Request Window will be designated by Transmission Provider and will be communicated on Transmission Provider's public website.

Interconnection Requests received prior to October 1, 2023 may choose to participate in the initial Cluster. Any requests received prior to October 1, 2023 that participate in the initial Cluster will be subject to this LGIP in its entirety.

Successive Cluster Request Windows shall open as designated by Transmission Provider and will be communicated on Transmission Provider's public website.

3.4.2 Initiating an Interconnection Request

An Interconnection Customer seeking to join the initial Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than the close of, the initial Cluster Request Window as indicated in Section 3.4.1. Interconnection Requests submitted outside of the initial Cluster Request Window will be considered in a subsequent Cluster. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) Applicable study deposit amount, pursuant to Section 3.1.1.1 of this LGIP,
- (ii) A completed application in the form of Appendix 1, (inclusive of the network model in PowerWorld format with the technical data for the proposed project)
- (iii) Demonstration of no less than ninety percent (90%) Site Control or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the Transmission Provider; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use.
- (iv) Generating Facility Capacity (MW) (and requested Interconnection Service level if the

requested Interconnection Service is less than the Generating Facility Capacity),

- (v) If applicable, (1) the requested operating assumptions as approved by Transmission Provider subject to Section 3.2.2.2 to be used by Transmission Provider that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by Interconnection Customer.
- (vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.1.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, or other form of security that is reasonably acceptable to Transmission Provider. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,
- (vii) A Point of Interconnection, and
- (viii) Whether the Interconnection Request shall be studied for Network Resource Interconnection Service or for Energy Resource Interconnection Service, consistent with Section 3.2 of this LGIP.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated Regulatory Limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by Transmission Provider until Interconnection Customer provides the required Site Control demonstration for its point in the Cluster Study Process. Interconnection Customers facing qualifying Regulatory Limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. If Transmission Provider determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, Transmission Provider shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

The proposed In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no later than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven (7) years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The expected In-Service Date shall be negotiated in good faith between the Transmission Provider and Interconnection Customer. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten (10) years, or longer where Interconnection Customer and Transmission Provider agree.

3.4.3 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within fifteen (15) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.2 of this LGIP have been received by Transmission Provider during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, Transmission Provider shall notify Interconnection Customer within fifteen (15) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, Transmission Provider shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), the application fee is forfeited to Transmission Provider, and the study deposit and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, Transmission Provider may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, Transmission Provider shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by latitude and longitude coordinates; (3) the station or transmission line or lines where the interconnection will be made; (4) the proposed In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The Transmission Provider must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement at the close of the Cluster Engagement Window shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by Transmission Provider, the application fee shall be forfeited to Transmission Provider, and Transmission Provider shall return the study deposit and Commercial Readiness Deposit to

Interconnection Customer. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window.

The purpose of the Cluster Study Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, if applicable, and to analyze such information. Transmission Provider and Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer(s) will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. Transmission Provider will identify valid Points of Interconnection for each Interconnection Customer. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose. If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, Transmission Provider shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identified information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting

3.5.1 OASIS Posting

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.6 Coordination with Affected Systems

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with Transmission Provider and any Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

The Affected System Operator whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to applicable transmission provider's transmission system.

3.6.1 Initial Notification

Transmission Provider must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, Transmission Provider must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6.2 Notification of Cluster Restudy

Transmission Provider must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6.3 Notification of Cluster Restudy Completion

Upon the completion of Transmission Provider's Cluster Restudy, Transmission Provider will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, Transmission Provider must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by Transmission Provider under Section 3.7 of this LGIP, Transmission Provider shall (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP; and (iii) refund to Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that Transmission Provider has incurred. Transmission Provider shall also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1 of this LGIP, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation as determined by the Transmission Provider unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.1.1.1 of this LGIP; or (2) as follows in (a) – (d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy if no Cluster Restudy is required or Interconnection Facilities Study, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study

Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

- (d) If Interconnection Customer has executed an LGIA and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

For a single Cluster, Transmission Provider shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, Transmission Provider will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Transmission Provider shall post the balance of Withdrawal Penalty

funds held by Transmission Provider but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes its LGIA, Transmission Provider shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, Transmission Provider will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA.

If Transmission Provider's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). Transmission Provider must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. For the withdrawn Interconnection Customers that Transmission Provider determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, Transmission Provider will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared

costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If Transmission Provider's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, Transmission Provider will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, Transmission Provider will amend executed LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Section 11.5 in Transmission Provider's LGIA posted on Transmission Provider's public website, attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes its LGIA, Transmission Provider will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Section 11.5 of Transmission Provider's LGIA posted on Transmission Provider's public website, Transmission Provider will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). Transmission Provider shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; or (2) executed an LGIA. Transmission Provider will perform the financial impact calculation using the following steps.

First, Transmission Provider must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed. Next, Transmission Provider shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);
- (4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution of an LGIA;
- (5) the restudy to the executed LGIA (if a restudy was performed after the Interconnection Facilities Study phase and before the execution of an LGIA).

If, based on the above calculations, Transmission Provider determines:

- (i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and
- (ii) after the impacted Interconnection Customer's LGIA was executed, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade, then Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website.

If Transmission Provider determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, Transmission Provider will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes its LGIA, Transmission Provider will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

Transmission Provider will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) calendar days after the withdrawal occurs. Transmission Provider will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by Transmission Provider.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA, Transmission Provider must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website, due from Interconnection Customer to Transmission Provider.

Where an Interconnection Customer executes the LGIA and is later withdrawn or its LGIA is terminated, Transmission Provider must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Section 11.5 of Transmission Provider's LGIA posted on Transmission Provider's public website, due from Interconnection Customer to Transmission Provider.

Any repayment by Transmission Provider to Interconnection Customer under Section 11.4 of Transmission Provider's LGIA posted on Transmission Provider's public website of amounts advanced for Network Upgrades after

the Generating Facility achieves Commercial Operation shall be limited to the Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Transmission Provider under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website..

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Predicate Facilities

Transmission Provider shall identify the Predicate Facilities to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The Predicate Facilities shall be identified as those future transmission system improvements previously approved by the Transmission Provider's capital project approval process. Transmission Provider shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Predicate Facility when this information is readily available and if not commercially sensitive.

4. Interconnection Request Evaluation Process

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4 of this LGIP, such Interconnection Request shall become part of Transmission Provider's interconnection queue for further processing pursuant to the following procedures.

4.1 Queue Position

4.1.1 Assignment of Queue Position

Transmission Provider shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.4 of this LGIP. All Interconnection Requests submitted and validated in a single Cluster Request Window shall be considered equally queued.

4.1.2 Higher Queue Position

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant Queue shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Queue.

4.2 General Study Process

Interconnection Studies performed within the Cluster Study Process shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study and consistent with Good Utility Practice.

Transmission Provider may use subgroups in the Cluster Study Process. In all instances in which Transmission Provider elects to use subgroups in the Cluster Study Process, Transmission Provider must publish the criteria used to define and determine subgroups on its OASIS or public website.

4.2.1 Cost Allocation for Interconnection Facilities and Network Upgrades

(1) For Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of the costs as follows:

- (a) Substation Network Upgrades, including all switching stations, shall be allocated first per capita to Interconnection Facilities interconnecting to the substation at the same voltage level and then per capita to each Generating Facility sharing the Interconnection Facility.
- (b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility in the Cluster Study on the need for a specific System Network Upgrade.
 - (i) Thermal Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the proportional impact (MW) from each Generating Facility within the Cluster or Cluster Area (if applicable), on the constrained facilities.
 - (ii) Voltage Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the voltage proportional impact from each Generating Facility within the Cluster or Cluster Area (if applicable), on the most constrained bus under the most constraining contingency.
 - (iii) In instances when mitigation(s) resolve multiple types of constraints (such as thermal + voltage or thermal + voltage + transient stability) the cost will be allocated within a Cluster or Cluster Area (if applicable) based on the ratio share of the total cost of the independent mitigation types in order to equitably allocate the cost to all Generating Facilities contributing to constraints.
 - (iv) Transient stability Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be cost allocated based on the pro-rata share of the total megawatt requests of all the Generating Facilities causing instability.
 - (v) Short Circuit Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the impact (kA) from each Generating Facility within the Cluster or Cluster Area (if applicable), on the constrained facilities under the most constraining fault.
- (c) An Interconnection Customer that funds Substation Network Upgrades and/or System Network Upgrades shall be entitled to transmission credits as provided in Section 11.4 of the LGIA.

(2) The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities

sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

4.3 Transferability of Queue Position

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. This Queue Position transfer will not invalidate the modification procedures and requirements outlined in section 4.4.

4.4 Modifications

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2, or 4.4.5 of this LGIP, or are determined not to be Material Modifications or Qualified Change pursuant to Section 4.4.3 of this LGIP.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection prior to return of the executed Cluster Study Agreement, and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Cluster Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go in the next Cluster Request Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 of this LGIP specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether Interconnection Customer's proposed technological advancement under Section 4.4.2(c) of this LGIP is a Material Modification. Section 1 of this LGIP contains a definition of Permissible Technological Advancement.

- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5 of this LGIP, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification or Qualified Change. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification or Qualified Change. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4 of this LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. Transmission Provider shall study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions as approved by Transmission Provider subject to Section 3.2.2.2 that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process.
- 4.4.3.1** Interconnection Customer may request, and Transmission Provider shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. Transmission Provider must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to Transmission Provider. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.
- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4 of this LGIP, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, Transmission Provider will endeavor to commence such studies within thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Appendix 1 of this LGIP.
- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing that is solely determined by Transmission Provider. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA. After an LGIA is executed, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Such cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer by Transmission Provider and those requested prior to execution of the LGIA by Interconnection Customer.
- 4.4.6 Technological Change Procedures**
- Prior to execution of an Interconnection Facilities Study Agreement, a technological change that satisfies the definition of Permissible Technology Advancement is a permissible modification that will not result in the Interconnection Customer losing its Queue Position.

An Interconnection Customer seeking to modify its proposed Generating Facility based upon a change to the turbines, inverters, or plant supervisory controls or other similar advancements to the existing technology proposed in the original Interconnection Request shall submit an Optional Interconnection Study Agreement in the form of Appendix 4, which shall be accompanied by a study deposit in the amount of specified in the Appendix, and any support relied on by the Interconnection Customer to show that the change is a Permissible Technological Advancement and not a Material Modification. Upon receipt of an Optional Interconnection Study Agreement that identifies a request for a technological change, the Transmission Provider, in consultation with the Interconnection Customer(s) to the extent practicable, shall first conduct a review of the technological change and supporting information to determine whether such change constitutes a Permissible Technological Advancement. If the study results demonstrate that the proposed technological change satisfies the definition of Permissible Technological Advancement then the technological change shall be approved without loss of Queue Position.

5. Procedures for Interconnection Requests Submitted Prior to Effective Date of this LGIP.

5.1 Procedures Interconnection Requests Submitted Prior to October 1, 2023

Interconnection Requests submitted prior to October 1, 2023 will be processed based on Transmission Provider's sequential study process in place on October 1, 2023. These processes may be revised by Transmission Provider as determined necessary by Transmission Provider. Interconnection Customer will be offered an LGIA per the LGIP which may be modified as determined by Transmission Provider. Any Interconnection Customer assigned a Queue Position prior to October 1, 2023 will maintain the assigned Queue Position. Interconnection Customer may choose to be subject to this LGIP by informing Transmission Provider within the appropriate Cluster Request Window and will then be part of the first Cluster Study and subject to all the terms of this LGIP.

5.2 Procedures for Interconnection Requests Received on or After October 1, 2023 and Prior to the Effective Date of this LGIP

Interconnection Requests submitted on or after October 1, 2023 will be subject to all the terms and provisions of this LGIP, will be part of the first Cluster Study and will have a Queue Position equally queued with all requests studied in the first Cluster.

6. Interconnection Information Access

6.1 Publicly Posted Interconnection Information

Prior to the start of the initial Cluster Request Window, Transmission Provider shall maintain and make publicly available a table of the estimated incremental injection capacity (in megawatts) available at its transmission switchyards under N-1 conditions. These capacity estimates must be calculated based on the power flow model of the Transmission System with the transfer simulated from each point of interconnection to the whole Transmission Provider's footprint (to approximate Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within one hundred twenty (120) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

7. Cluster Study

7.1 Cluster Study Agreement

No later than ten (10) Business Days after the close of a Cluster Request Window, Transmission Provider shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 to this LGIP. The Cluster Study Agreement shall require Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by Transmission Provider following the conclusion of the Scoping Meeting.

7.2 Execution of Cluster Study Agreement

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to Transmission Provider no later than the close of the Customer Engagement Window.

If Interconnection Customer does not provide all required technical data when it delivers the Cluster Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within ten (10) Business Days of the receipt of the executed Cluster Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or Study Deposit.

7.3 Scope of Cluster Study

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Cluster Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use the level of Interconnection Service requested by Interconnection Customers in the Cluster, except where the Transmission Provider otherwise determines that it must study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study will consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, as applicable. At the conclusion of the Cluster Study, Transmission Provider shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Section 4.2.1 of this LGIP. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by Interconnection Customer, unless (1) Transmission Provider

determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the proposed charging behavior is not practical to incorporate in the Cluster Study, in which case Transmission Provider will use a charging behavior Transmission Provider considers practical. Transmission Provider may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by Transmission Provider. As determined by Transmission Provider, Interconnection Customer may be subject to testing and validation of those control technologies consistent with applicable manufacturer recommendations and/or industry standards.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. If any of the above technologies are used, Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures

Transmission Provider shall coordinate the Cluster Study with any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall initiate the Cluster Study Process pursuant to Section 7 of this LGIP.

Transmission Provider shall endeavor to complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, Transmission Provider shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the desired time frame for completing the Cluster Study, Transmission Provider shall notify Interconnection Customers as to the schedule status of the Cluster Study. If Transmission Provider is unable to complete the Cluster Study within the specified time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide to Interconnection Customers all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Cluster Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

7.5 Cluster Study Restudies

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, cash, or other form of security that is reasonable acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

- (2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.
- (3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, Transmission Provider shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If Transmission Provider determines a Cluster Restudy is not necessary, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.
- (4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and Transmission Provider determines a Cluster Restudy is necessary as a result, Transmission Provider shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. Transmission Provider shall continue with such restudies until Transmission Provider determines that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, Transmission Provider shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.
- (5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. Transmission Provider shall endeavor to complete the Cluster Restudy within one hundred fifty (150) Calendar Days of Transmission Provider informing the Interconnection Customers in the Cluster that restudy is needed. If Transmission Provider is unable to complete the Cluster Restudy within the specified time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). Transmission Provider shall hold a meeting with Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10)

Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 of this LGIP until such time that Transmission Provider determines that no further restudies are required. Transmission Provider shall notify each Interconnection Customer within the Cluster when no further restudies are required.

8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Within ten (10) Business Days following Transmission Provider notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP. Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.

Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with:

- (1) any required technical data;
- (2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to Transmission Provider in accordance with Section 3.4.2 of this LGIP; and
- (3) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, cash, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

8.2 Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to

implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions that reflect its proposed charging behavior, as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise require the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall endeavor to complete the study and issue a draft Interconnection Facilities Study Report to Interconnection Customer within one hundred eighty (180) Calendar Days.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the desired time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the desired time, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to Transmission Provider, which Transmission Provider shall include in completing the final Interconnection Facilities Study Report. Transmission Provider shall endeavor to issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

8.4 Meeting with Transmission Provider

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Restudy

If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 4.4

of this LGIP, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of restudy shall be borne by Interconnection Customer being restudied.

9. Affected System Study

9.1 Applicability

This Section 9 outlines the duties of Transmission Provider when it receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System.

9.2 Response to Notification

9.2.1 Response to Initial Notification

When Transmission Provider receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System, Transmission Provider will endeavor to respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after Transmission Provider responds with its affirmative intent to conduct an Affected System Study, Transmission Provider shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy

Within ten (10) Business Days of receipt of notification of Cluster Restudy, Transmission Provider will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that Transmission Provider intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If Transmission Provider decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If Transmission Provider decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet the requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position

Transmission Provider must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to Transmission Provider's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, Transmission Provider shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable

Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, Transmission Provider shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this LGIP, as applicable, within ten (10) Business Days of Transmission Provider sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate Transmission Provider for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. Transmission Provider shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to Transmission Provider, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If Transmission Provider notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, Transmission Provider shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within ten (10) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical data deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability

of Transmission Provider's Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to Transmission Provider's Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. Transmission Provider has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures

Transmission Provider shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. Transmission Provider will endeavor to complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, Transmission Provider shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If Transmission Provider is unable to complete the Affected System Study within the specified time period, it shall notify Affected System Interconnection Customer(s), as well as transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

Transmission Provider must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on its own Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Meeting with Transmission Provider

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), Transmission Provider and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation

Transmission Provider shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 4.2.1(1)(b) of this LGIP.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

Transmission Provider shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this LGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement. Transmission Provider shall execute the agreement within ten (10) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, shall result in the loss of its Affected System Queue Position.

9.11 Restudy

If restudy of the Affected System Study is required, Transmission Provider shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Transmission Provider will endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement

On or after the date when Interconnection Customer receives Cluster Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2 of this LGIP. Within twenty (20) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of Interconnection Service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System Operator whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider. Based on the complexity of the requested optional study, Transmission Provider may specify a different required deposit in the Optional Interconnection Study Agreement. If Transmission Provider specifies a different deposit, Transmission Provider will provide an explanation in writing to Interconnection Customer.

10.2 Scope of Optional Interconnection Study

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within sixty (60) Calendar Days after the comments are submitted or after Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's standard form LGIA, which is in Appendix 5. Interconnection Customer shall execute and return the LGIA and completed draft appendices within thirty (30) Calendar Days, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement.

Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request the initiation of Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request the initiation of Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, or requested the initiation of Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within thirty (30) Business Days after the completion of the negotiation process.

11.2.1 Delay in LGIA Execution to Await Affected System Study Report

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA pursuant to Section 11.1 of this LGIP, Transmission Provider shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution to await Affected System Study Report, decides to proceed to LGIA execution without those results, it may notify Transmission Provider of its intent to proceed with LGIA execution pursuant to Section 11.1 of this LGIP. If Transmission Provider determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, Transmission Provider must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA to thirty (30) Calendar Days after such notice is provided.

11.3 Execution

Simultaneously with submitting the executed LGIA to Transmission Provider, Interconnection Customer shall provide Transmission Provider with the following (1) demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (2) the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request. Transmission Provider shall use LGIA Deposit as (or as a portion of) Interconnection Customer's security required under LGIA Section 11.5. Interconnection Customer may not request to suspend its LGIA under LGIA Section 5.12 until Interconnection Customer has provided (1) and (2) to Transmission Provider. If Interconnection Customer fails to provide (1) and (2) to Transmission Provider within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under LGIP Section 11.1, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Transmission Provider will provide the executable version of the Standard Large Generator Interconnection Agreement and Interconnection Customer shall execute by electronic signature.

11.4 Commencement of Interconnection Activities

Upon Execution by Interconnection Customer of the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

11.5 Facilities Operation and Maintenance

The LGIA will set forth funding required, if any, for long-term operations and maintenance associated with the interconnection.

Ownership of installed facilities is determined on a case-by-case basis. However, Transmission Provider generally retains operation and dispatching authority of facilities that Transmission Provider does not own but considers to be an integral part of the Transmission Provider Transmission System.

Transmission Provider reserves the right to approve Transmission System changes at the tap, substation, or interconnection that affect operation of Transmission Provider facilities, including interconnecting with facilities of a third entity.

11.6 Environmental Requirements and Cultural Reviews

The Natural and Cultural Resource Review Process or NCCRP is a project review process conducted by Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Costs associated with environmental and cultural studies, including costs associated with an NCCRP will be funded as part of the LGIA.

Transmission Provider is required to assess the potential environmental impacts of any proposed interconnection in accordance with the State Environmental Policy Act (SEPA) and other environmental regulations. Interconnection Customers are advised to consult with Transmission Provider as early as possible in the planning process to obtain guidance with respect to the appropriate level and scope of any studies or environmental information that Transmission Provider requires. The Washington State Department of Ecology's SEPA requires that Transmission Provider begin environmental review as soon as practicable. The nature of the interconnection request will dictate the level of SEPA compliance required.

The environmental review process can range from a categorical exclusion to a comprehensive environmental impact statement, including the required public process for such a statement. The cultural review process can possibly be short, depending on preliminary findings. Findings may also rule the project as non-viable or require substantial archaeological studies for significant cultural sites. The environmental and cultural review process uses input from previous and other ongoing studies and construction planning processes. Continuation of the interconnection process at any and every step is contingent upon favorable environmental and cultural review.

If the Interconnection Request does not involve integration of a new source of generation into Transmission Provider transmission facilities, change the operation limits of existing generation, provide service to new discrete loads, or cause major system changes and there are no adverse impacts identified, Transmission Provider may be able to prepare a categorical exclusion for the interconnection. This process can take up to six months to complete, depending on the scope of the interconnection. If the interconnection does involve any of the actions mentioned above, the environmental review process may take 18 months or more, depending on the scope of the interconnection. If Transmission Provider determines that an environmental

assessment (EA) or an environmental impact statement (EIS) is required, Transmission Provider may prepare the EA or EIS and, if necessary, use a contractor selected by Transmission Provider. If an EA is prepared, one result may be a determination that an EIS is necessary (in the case that significant impacts may occur or controversy is likely), thus extending the time to complete SEPA compliance.

Transmission Provider may participate in the environmental process of another Federal, State, or local agency involved with a project to satisfy portions of its SEPA requirements. Environmental reviews and related studies conducted by other agencies cannot, however, be routinely adopted. They must meet the standards placed upon Transmission Provider by SEPA or other governmental agency procedures.

11.7 Land Acquisition and Land Use Permitting Requirements

Land acquisition and land use permitting will be included in the LGIA. This work involves initiating research of property ownership and zoning, title search and determination, legal land surveys, preparation of legal descriptions and documents, and appraisals. The process may extend through the completion of construction. Typically, negotiations between Transmission Provider, Interconnection Customer and/or affected landowners do not begin until the environmental record of decision or finding of no significant impact is complete, prior to construction.

If the interconnecting facilities are to be owned by Transmission Provider, then any new land rights necessary for the interconnection must be owned by Transmission Provider. Transmission Provider typically conducts all land acquisition and land use permitting activities, including title search and determination, legal land surveys, preparation of legal documents, title insurance, appraisals, negotiations, payment and recording of documents in the County Auditor's Office. Projects may also require damage resolution with landowners following construction. All land rights must be acquired pursuant to Federal, State, County and local laws governing acquisition of real property and land use permits, which is particularly important when other Federal, State and institutional lands are affected by the interconnection.

In certain circumstances, Transmission Provider may determine that Interconnection Customer is capable of performing the necessary land rights and land use permit activities. When this is the case, Transmission Provider will coordinate closely with Interconnection Customer to ensure proper procedures are followed, and that the proper land rights and land use permits are obtained. Agreements concerning land acquisition issues such as fee or easement, right-of-way width, and title acceptability must be reached between Transmission Provider and Interconnection Customer before any land rights are acquired and transferred to Transmission Provider.

12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing

12.2.1 General

In general, the In-Service Date of an Interconnection Customer seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades. Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Section 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Section 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of Transmission Provider

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary and feasible the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection Cluster Study Report

An Interconnection Cluster Study Report will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 13, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

13.1.1 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6 of this LGIP, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential

Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, public records request, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 13.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure

Any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional,

regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.9 Public Domain

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.10 Confidential Information No Longer Needed

Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request.

In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, Transmission Provider shall charge, and Interconnection Customer shall pay its allocated share of the actual costs of the Interconnection Studies. The costs of any interconnection study conducted on a clustered basis shall be allocated among each Interconnection Customer within the cluster as follows:

(1) Fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on the number of Interconnection Requests included in the applicable Cluster; and (2) fifty percent (50%) of the applicable study costs to Interconnection Customers on a pro-rata basis based on the total megawatts of Interconnection Service requested to be studied in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100MW request and a 400MW request would be allocated 35% to the 100 MW request and 65% to the 400MW request.

Any difference between the study deposit and the actual cost of the Interconnection Studies shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customers. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

13.4 Third Parties Conducting Studies

Transmission Provider may utilize third-party consultants to perform interconnection studies at its discretion.

In all cases, use of a third-party consultant shall be limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. Transmission Provider shall convey all workpapers, databases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP. Any third-party consultant shall be required to comply with this LGIP and the relevant LGIP procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall work with such third-party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes

13.5.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIP.

13.5.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the

reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

13.5.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.6 Tax Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds

The Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund its transmission, including as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of the LGIA and this LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the LGIA and this LGIP if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities, it shall advise the Interconnection Customer and shall not be obligated to provide service.

Interconnection Customer thereafter may renew its request for interconnection using the processes in the Transmission Provider's LGIP.

13.7 Engineering & Procurement (E&P) Agreement

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws

its Interconnection Request or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

13.8 No Payment of Interest

Transmission Provider will not pay any interest on funds held for any purpose unless the payment of interest is specified for a particular purpose in this LGIP or in an applicable agreement.

13.9 Reliability Requirements

Interconnection to Transmission Provider's transmission facilities will be consistent with Good Utility Practices. A proposed interconnection must not degrade the reliability or operating flexibility of the existing power system and must not cause Transmission Provider's Transmission System to violate NERC or WECC transmission system performance criteria, as specified in applicable reliability standards and technical guidance documents, nor the Transmission Provider Reliability Coordinator's System Operating Limit methodology requirements. The interconnection must comply with WECC standards, policies, and procedures. When involving Transmission Provider owned, operated or maintained facilities, the interconnection must also comply with Transmission Provider engineering design and operation criteria, including but not limited to the Transmission Provider's Transmission Planning Guidelines. Additionally, the interconnection must adhere to any regional planning or operating entities criteria in effect, and the criteria of other entities affected by the interconnection.

Interconnection Customer will be responsible for testing and reporting requirements in accordance with applicable NERC and WECC criteria and any similar standards of a successor organization to either NERC or WECC.

13.10 Safety and Security Requirements

When working on Transmission Provider property, Interconnection Customer shall perform work to comply with applicable safety laws, building and construction codes. These include provisions of applicable Federal, State, and local safety, health and/or industrial regulations or codes. In addition, Interconnection Customer must adhere to Transmission Provider's Contractor Safety Requirements.

If Interconnection Customer does not adhere to construction and safety requirements as required, Transmission Provider may issue an order to stop all or any part of the work until such time Interconnection Customer demonstrates compliance with the provision at issue. Interconnection Customer cannot make a claim for compensation or damage resulting from such work stoppage.

APPENDIX 1 – APPLICATION FOR INTERCONNECTION
Public Utility District No. 2 of Grant County, Washington

1.	Applicant's Legal Entity Name:			
2.	Applicant's Full Street Address (include state and zip):			
3.	Name of Contact:			
4.	Title of Contact:			
5.	Office and Mobile Numbers:			
6.	Email:			
7.	Name of Alternate Contact:			
8.	Title of Alternate Contact:			
9.	Alternate Contact Mailing Address (include state and zip):			
10.	Alternate Contact Office and Mobile Numbers:			
11.	Alternate Contact Email:			
12.	Proposed Date for Commercial Operation:			
13.	Name of Project or existing Generation Facility:			
14.	Fuel Type (one or more): ☐ Solar/PV ☐ Wind ☐ Natural Gas ☐ BESS ☐ Other: Please Indicate _____			
15.	Maximum Output Associated with the Interconnection Request. If the request is an increase the capacity of an existing Generating Facility, show the amount of the increase.			
	Generator: Summer _____ MW Winter _____ MW Storage Capacity: Summer _____ MW Winter _____ MW Inverter Capacity: Summer _____ MW Winter _____ MW Requested total capacity of Interconnection Service injecting to Grid _____ MW (This is the combined maximum of generation and storage simultaneous discharge)			
16.	Name, Title, Company, Address, Phone and E-mail of Authorized Interconnecting Contractor/Representative – if applicable:			

17.	Type of Interconnection Requested (mark all that apply):
	☐ Transmission Station ☐ Station Breaker Bay Additions(s) ☐ Additional Delivery Points(s) ☐ General Tie-Line(s) ☐ Other (please Specify)_____
18.	This Interconnection Request is for (check one):
	☐ A proposed new Generating Facility. ☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
19.	The type of Interconnection service requested (check one): If you wish to have your Generation Facility studied for both types of Interconnection Service, check both boxes.
	☐ Energy Resource Interconnection Service (Please provide planned Point(s) of Delivery (POD)). ☐ Network Resource Interconnection Service
20.	Specific location of the proposed new or existing Generating Facility site, if known:
	Address or Parcel Numbers:
21.	Proposed Point of Interconnection – include references to relevant stations and/or transmission lines by name:
22.	Are you planning or required to use the EFSEC (WA State Energy Facility Site Evaluation Council) process? ☐ Yes ☐ No
23.	Applicable deposit amount as specified in the LGIP must be received by Transmission Provider for this application to be considered complete. A deposit of \$5,000 is included with this application.
	☐ Yes ☐ No
24.	Evidence of Site Control as specified in the LGIP (check one):
	☐ Is attached to this Interconnection request. ☐ Will be provided at a later date in accordance with the LGIP.
25.	Summary of Project: Include on a separate document a high-level description of the overall project requiring the interconnection including a general description of the equipment configuration. Include the purpose or objective of the project.
26.	Additional Information. Please check each box below for information that is supplied separate from this application form.
	☐ Single-line diagram(s) showing the proposed interconnection clearly indicating the Transmission Provider facility involved in the interconnection, including any relaying and metering facilities

- ☐ Drawing(s) indicating physical arrangements of existing and proposed facilities.
- ☐ Geographic location of the proposed interconnection, including maps showing land ownership and zoning - if available. If connecting to an existing transmission line, indicate adjacent structure numbers.
- ☐ Geographic location of the proposed road access routes to POI, including maps showing land ownership and zoning - if available.
- ☐ Description of the proposed routing, approximate lengths and conductor size of transmission line additions or modifications, and dimensions and configurations of new structures. Proposed transmission path(s) and service arrangements between resources and associated loads.
- ☐ Description of the generating resources or loads to be served by the interconnection and the proposed transmission path(s) and service arrangements between resources and associated loads, where applicable. The description should include the following:
 - a) Maximum power output or load requirements, including 10-year projections, by delivery points, of winter and summer peaks for loads served or generation supplied through the point of interconnection; and
 - b) Size, type and ratings of large equipment; and
 - c) Reliability and special operation requirements; impedance, frequency, voltage, real and reactive power and protective relaying characteristics of the interconnecting resource or load.
- ☐ Description and ratings of proposed transformers, winding connections, impedances, circuit breakers, switches, metering, associated communications relaying and other equipment to the extent this information is not included in either Attachment A or Attachment B.
- ☐ Appropriate revenue and telemetering equipment specifications. The data should include load control boundary metering, current and potential transformer ratios and register and contact initiator ratios with multipliers.
- ☐ Copies of relevant planning and operational studies, proposed construction schedule.
- ☐ Copies of relevant environmental impact assessments, permits, cultural reviews, reports, projections, or description of anticipated scope of the environmental or cultural review.
- ☐ Curves showing the active and reactive power capabilities on a single plot for the anticipated operating range of the generation facility and the storage facility, if applicable.
- ☐ Include Attachment A for Technical Information for Solar Generation Facilities.
- ☐ Include Attachment B or Technical Information for Generation Facilities other than Solar
- ☐ Include Information specified in Attachment C for all Non-Synchronous Generators

Completing this application does not qualify the Applicant for interconnection to Transmission Provider or for the receipt of transmission service from Transmission Provider.

Applicant's Signature: _____

Print Name: _____

Title: _____

Date: _____

Return completed application to:

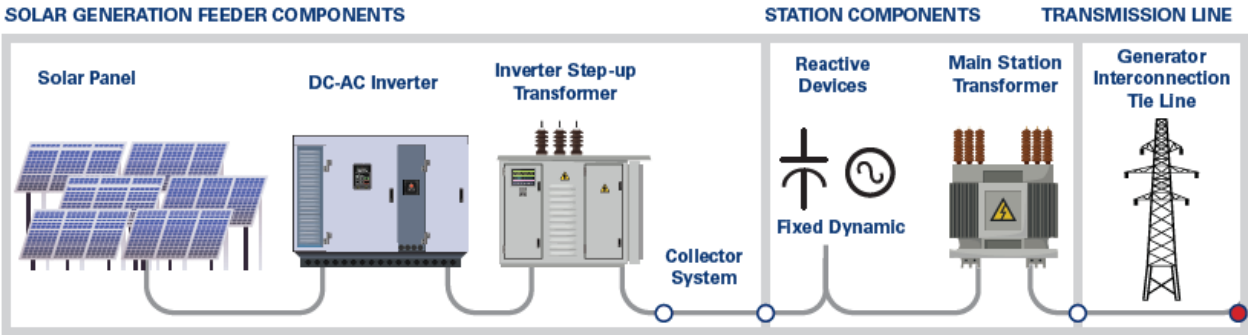
Grant PUD
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

Please contact the Transmission Services Manager at Grant PUD to obtain instructions for electronic transfer of documents and funds.

Gross Generating Facility Capability (at Inverter Terminals): _____ MVA

1. Simplified One-Line Diagram

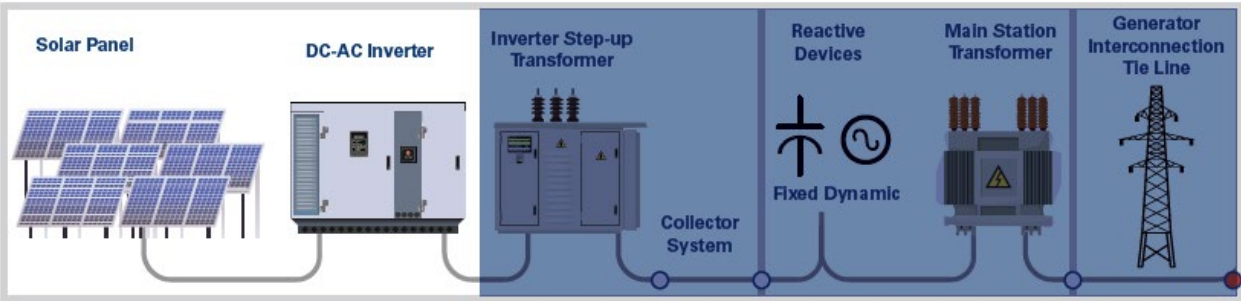
Typical solar interconnection arrangement:
(for illustration purpose only)



Other equipment, including battery and location, if applicable, not shown.

One-Line Diagram of Interconnection Customer’s proposed generator is attached. ☐ **Attached**

2. Solar Panel and Inverter Data



Battery Location, if applicable, not shown.

Solar Panel Data

Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Solar Panels:	
Type of photovoltaic system (Fixed or Tracked):	
Provide a summary of solar panel electrical data.	☐ Attached
Expected monthly peak generation profile.	☐ Attached

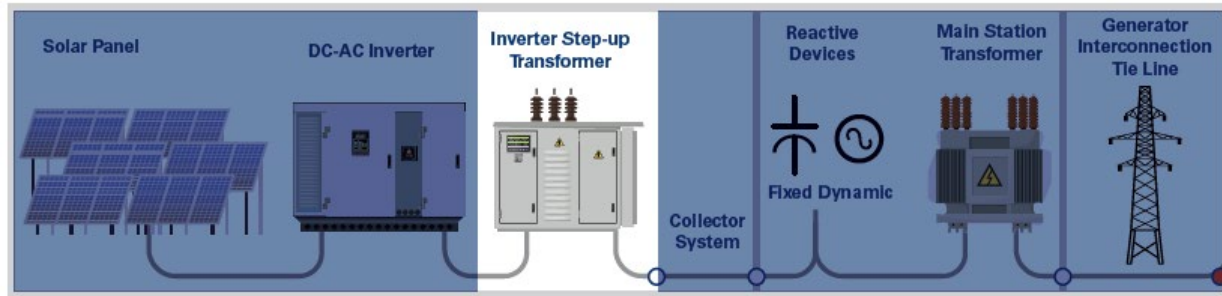
Inverter Data

Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Inverters:	
Nominal Voltage:	
Nameplate Rating:	_____ kW / _____ kVA
Describe inverter reactive capability:	
Inverter short circuit ratio limit:	
Provide the inverter specification sheet with reactive capability curve.	☐ Attached

Battery and Inverter Data

Description Battery interconnection:	
Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Inverters:	
Nominal Voltage:	
Nameplate Rating:	_____ kW / _____ kVA
Describe inverter reactive capability:	
Inverter short circuit ratio limit:	
Provide the inverter specification sheet with reactive capability curve.	☐ Attached
Maximum Charge Rate:	_____ MW
Maximum Storage:	_____ MWh

3. Inverter Step-Up Transformer



Number of inverter step-up transformers: _____

Provide data for either two-winding or three-winding transformer as appropriate

Two-Winding Inverter Step-Up Transformer Data (as applicable):

Nameplate Rating:	_____ MVA
Maximum Rating (if applicable):	_____ MVA
Nominal Voltage for each winding (Low/High):	_____ / _____ kV
Winding Connections (Low/High) Delta or Wye:	
Available taps:	
Load or no-load tap changer and location of tap changer:	_____ / _____ / _____ / _____ / _____ kV or _____ % _____ no. of taps
Positive sequence impedance (Z_1):	_____ %, _____ X/R on MVA rating above
Zero sequence impedance (Z_0)	_____ %, _____ X/R on MVA rating above

Three-Winding Inverter Step-Up Transformer Data (as applicable)

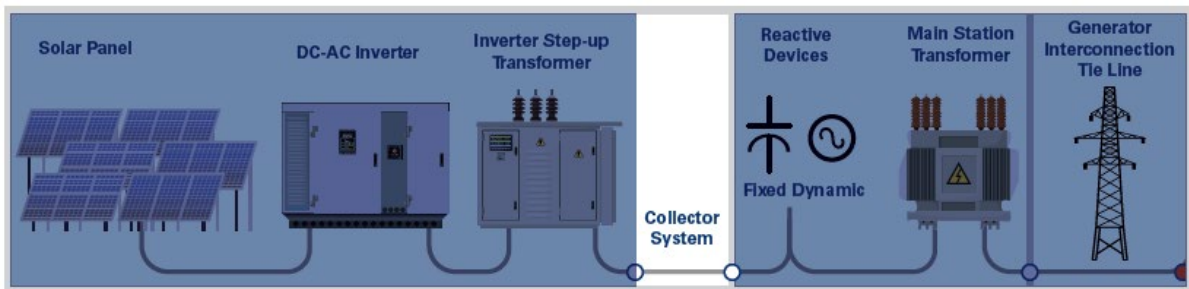
GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Nameplate ratings (i.e. OA/FA/FA)	_____/_____/_____ MVA	_____/_____/_____ MVA	_____/_____/_____ MVA
Rated winding voltage base	_____ kV Delta or Wye connected	_____ kV Delta or Wye connected	_____ kV Delta or Wye connected
Tap positions available	_____/_____/_____ _____/_____/_____ _____ kV	_____/_____/_____ _____/_____/_____ _____ kV	_____/_____/_____ _____/_____/_____ _____ kV
Present Tap Setting (if applicable)	_____ kV	_____ kV	_____ kV
Solid or impedance grounding	_____ Ohms	_____ Ohms	_____ Ohms
BIL rating	_____ kV	_____ kV	_____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	_____ MVA	_____ MVA	_____ MVA
Positive sequence impedance Z_1	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R
Zero sequence impedance Z_0	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R

4. Collector System Equivalent Model

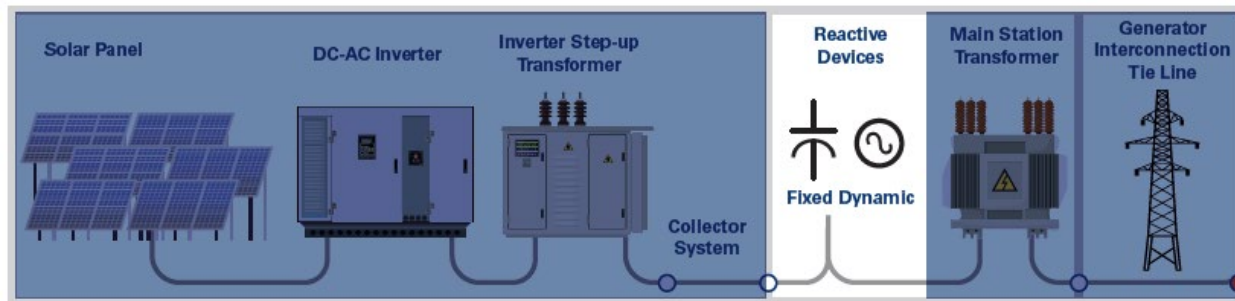


Provide either absolute or per unit impedance values.

Collector System Voltage:	_____ kV
Total Length of Collector System:	_____ Miles
Overhead or Underground Construction:	
Collector system equivalent model rating at 0°C/20°C/30°C/40°C/50°C ambient:	_____ / _____ / _____ / _____ / _____ MVA
R_1	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
X_1	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
B_1	_____ mF or _____ pu on 100 MVA and line kV base (positive sequence)
R_0	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
X_0	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
B_0	_____ mF or _____ pu on 100 MVA and line kV base (zero sequence)

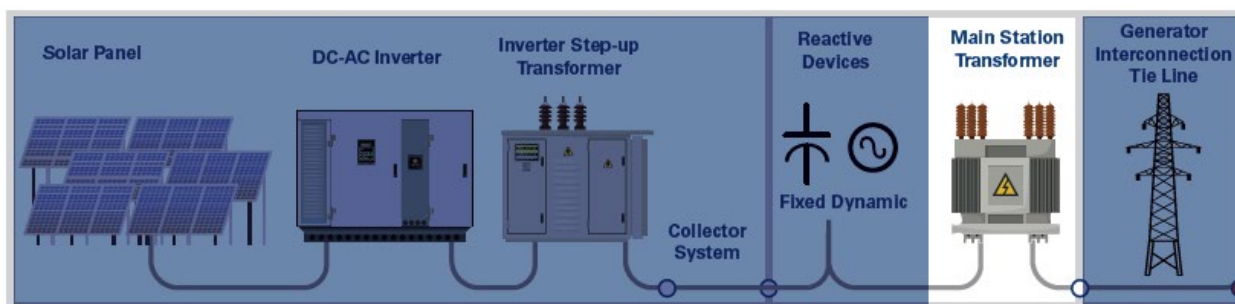
5. Station Reactive Compensation Devices (if applicable)

(This describes devices beyond the inverters built-in reactive capability)



Type of Reactive Compensation Device(s) (Fixed or Dynamic):	
Individual Fixed Shunt Reactive Device Type:	
No. and size of each:	_____ x _____ MVA
Dynamic reactive control device (e.g., SVC, STATCOM):	
Control range at rated MW output:	_____ MVAR (lead and lag)
Control Mode:	☐ Voltage, maintained within Grant PUD's voltage schedule
Regulation Point:	☐ High side of main station transformer
Describe the overall reactive power control strategy:	

6. Main Station Transformer



Number of main transformers: _____

Provide data for either two-winding or three-winding transformer as appropriate.

Two-Winding Main Transformer Data (as applicable)

Nameplate Rating (OA/FA/FA):	____ / ____ / ____ MVA
Nominal Voltage for Each Winding (Low/High):	____ / ____ kV
Winding Connections (Low/High) Delta or Wye:	
Available tap positions:	____ / ____ / ____ / ____ / ____ kV or ____ % ____ no. of taps
Load or no-load tap changer and location of tap changer:	
Positive sequence impedance (Z_1):	____ %, ____ X/R on self-cooled (OA) MVA rating above.
Zero sequence impedance (Z_0)	____ %, ____ X/R on self-cooled (OA) MVA rating above.

Three-Winding Main Transformer Data (as applicable)

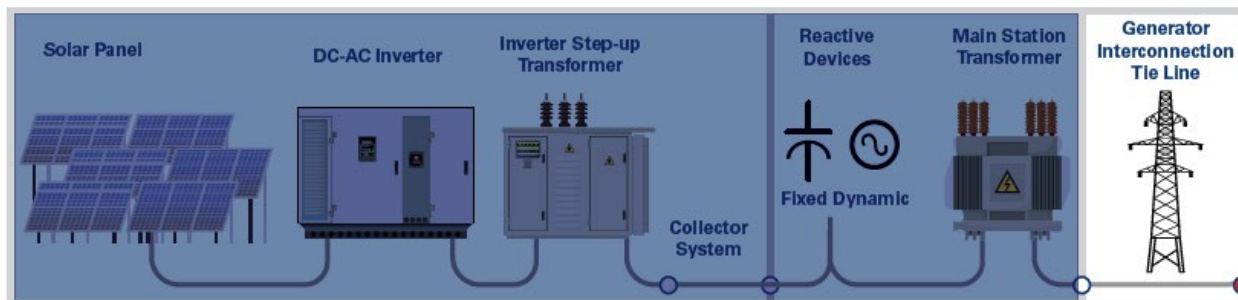
GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Full load ratings (i.e. OA/FA/FA)	____ / ____ / ____ MVA	____ / ____ / ____ MVA	____ / ____ / ____ MVA
Rated winding voltage base	____ kV Delta or Wye connected	____ kV Delta or Wye connected	____ kV Delta or Wye connected
Tap positions available	____ / ____ / ____ ____ / ____ / ____ ____ kV	____ / ____ / ____ ____ / ____ / ____ ____ kV	____ / ____ / ____ ____ / ____ / ____ ____ kV
Present Tap Setting (if applicable)	____ kV	____ kV	____ kV
Solid or impedance grounding	____ Ohms	____ Ohms	____ Ohms
BIL rating	____ kV	____ kV	____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	____ MVA	____ MVA	____ MVA
Positive sequence impedance Z_1	____ % ____ X/R	____ % ____ X/R	____ % ____ X/R
Zero sequence impedance Z_0	____ % ____ X/R	____ % ____ X/R	____ % ____ X/R

7. Generator Interconnection Tie Line



Provide either absolute or per unit impedance values.

Point of Interconnection (utility station/line name):	
Line Voltage:	_____ kV
Line Length:	_____ Miles
Overhead or Underground Construction:	
Line rating at 0°C/20°C/30°C/40°C/50°C ambient:	_____ / _____ / _____ / _____ / _____ MVA
R ₁	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
X ₁	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
B ₁	_____ mF or _____ pu on 100 MVA and line kV base (positive sequence)
R ₀	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
X ₀	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
B ₀	_____ mF or _____ pu on 100 MVA and line kV base (zero sequence)

8. Dynamic Modeling Data

Provide with this form the WECC approved (and if applicable, recommended) standard dynamic models for generation facilities, including any additional dynamic reactive control devices.

- ☐ Models Attached, including the power system model in a text-editable format.
- Include plant volt/var control function model and active power/frequency control function model.
 - All the associated files for dynamic modeling should be in a format consistent with NERC's Reliability Guidelines (BPS--Connected Inverter-Based Resource Performance), the document produced by NERC by this title, or its

successor document, which contain guidelines for the operation of inverter-based resources. The files must be shareable on an interconnection-wide basis to support use in the interconnection-wide cases.

- Model parameters for inverters shall include:
 - Voltage response and ride-thru settings.
 - Frequency response and ride-thru settings.
 - Control mode (voltage control for POI >100 kV, power factor control for POI < 100 kV).
 - Any plant-level real power limits.

Grant PUD requires the solar installation to align with the recommended performance characteristics and other recommendations related to inverter-based resource performance, analysis, and modeling as identified by NERC's Inverter-Based Resource Performance Joint Task Force and to conform to all NERC requirements.

9. Data Revisions

If submitting revised data, record the date and a summary of the sections that have been updated:

Date	Revision Summary

UNIT RATINGS

kVA		°F	
Voltage		Power Factor	
Speed (RPM)		Connection (e.g., Wye)	
Short Circuit Ratio		Frequency, Hertz	
Stator Amperes at Rated kVA		Field Volts	
Max Turbine MW		°F	
Primary frequency response operating range for electric storage resources:			
Minimum State of Charge: _____			
Maximum State of Charge: _____			

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	_____ kW sec/kVA
Moment-of-Inertia, WR ²	_____ lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS QUADRATURE AXIS	
Synchronous – saturated	X _{dv} _____	X _{qv} _____
Synchronous – unsaturated	X _{di} _____	X _{qi} _____
Transient – saturated	X' _{dv} _____	X' _{qv} _____
Transient – unsaturated	X' _{di} _____	X' _{qi} _____
Subtransient – saturated	X'' _{dv} _____	X'' _{qv} _____
Subtransient – unsaturated	X'' _{di} _____	X'' _{qi} _____
Negative Sequence – saturated	X _{2v} _____	
Negative Sequence – unsaturated	X _{2i} _____	
Zero Sequence – saturated	X _{0v} _____	
Zero Sequence – unsaturated	X _{0i} _____	
Leakage Reactance	X _{lm} _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T' _{do} _____	T' _{qo} _____
Three-Phase Short Circuit	T' _{d3} _____	T' _q _____

Transient		
Line to Line Short Circuit Transient	T'_{d2} _____	
Line to Neutral Short Circuit Transient	T'_{d1} _____	
Short Circuit Subtransient	T''_d _____	T''_q _____
Open Circuit Subtransient	T''_{do} _____	T''_{qo} _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T_{a3} _____
Line to Line Short Circuit	T_{a2} _____
Line to Neutral Short Circuit	T_{a1} _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R_1 _____
Negative	R_2 _____
Zero	R_0 _____
Rotor Short Time Thermal Capacity I_2^2t	
Field Current at Rated kVA, Armature Voltage and PF	_____ amps
Field Current at Rated kVA and Armature Voltage, 0 PF	_____ amps
Three Phase Armature Winding Capacitance	_____ microfarad
Field Winding Resistance	_____ ohms _____ °C
Armature Winding Resistance (Per Phase)	_____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves. Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity	
Self-cooled / Maximum Nameplate	_____ / _____ kVA
Voltage Ratio (Generator Side/System side/Tertiary)	_____ / _____ / _____ kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))	_____ / _____ / _____
Fixed Taps Available	
Present Tap Setting	

IMPEDANCE

Positive	Z_1 (on self-cooled kVA rating) _____ % _____ X/R
Negative	Z_0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:		
Elevation _____	Single Phase _____	Three Phase _____
Inverter manufacturer, model name, number, and version:		
List of adjustable setpoints for the protective equipment or software:		

Note: A complete PowerWorld model must be supplied with the Interconnection Request.

INDUCTION GENERATORS

Field Volts	
Field Amperes	
Motoring Power (kW)	
Neutral Grounding Resistor (If Applicable)	
I_2^2t or K (Heating Time Constant)	
Rotor Resistance	
Stator Resistance	
Stator Reactance	

Rotor Reactance	
Magnetizing Reactance	
Short Circuit Reactance	
Exciting Current	
Temperature Rise	
Frame Size	
Design Letter	
Reactive Power Required In Vars (No Load)	
Reactive Power Required In Vars (Full Load)	
Total Rotating Inertia, H	_____ per unit on KVA base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated for Induction Generators is required.

APPENDIX 2 - CLUSTER STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems; and

WHEREAS, Transmission Provider has Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 2 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with Section 7 of this LGIP.
3. The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.
5. The Cluster Study Report shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
6. Transmission Provider’s good faith estimate for the time of completion of the Cluster Study is {insert date}.

Upon receipt of the Cluster Study Report, Transmission Provider shall charge and Interconnection Customer shall pay its share of the actual costs of the Cluster Study, consistent with Section 13.3 of this LGIP.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 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 Transmission Provider and Interconnection Customer 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 Transmission Provider’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.
- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 7.6 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.

7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

7.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

{Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider}

APPENDIX 3 - INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement"), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, Transmission Provider has Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 3 to this LGIP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP.
3. The scope of the Interconnection Facilities Study shall be subject to the data provided in Attachment A to this Agreement.
4. The Interconnection Facilities Study Report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster Study.
5. Interconnection Customer shall provide a Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.
6. Miscellaneous

- 6.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Manager of Transmission Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

6.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

6.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 6.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

6.4 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 Transmission Provider and Interconnection Customer 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 Transmission Provider’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.

6.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

6.6 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.

6.7 Transmission Provider’s LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

6.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.

- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

6.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, and other applicable information.

One set of metering is required for each generation connection to the new or existing Transmission Provider station. Number of generation connections:

On the one-line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram indicate the source & rating of auxiliary power.

Will an alternate source of auxiliary power be available during CT/PT maintenance?

____ Yes ____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? ____ Yes ____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Circuit length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

____ Yes ____ No Local provider: _____

Please provide proposed schedule dates:

Generator step-up transformer receives back feed power

Date: _____

Commercial Operation

Date: _____

APPENDIX 4 - OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT ("Agreement"), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Cluster Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 4 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP.
3. The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Optional Interconnection Study shall be performed solely for informational purposes.
5. The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
6. Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Interconnection Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Manager of Transmission Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 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 Transmission Provider and Interconnection Customer 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 Transmission Provider’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.
- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 7.6 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.

- 7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 7.8 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
 - The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.
- 7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX 5 - STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

(See LGIA posted on Transmission Provider's public website)

APPENDIX 6 - INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 6 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the Cluster Study.

APPENDIX 7 - TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 7 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
2. Transmission Provider shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.
3. The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
5. The Affected System Study shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider’s Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.

6. Affected System Interconnection Customer shall provide a deposit of [REDACTED] for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, Transmission Provider shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate.

7. Miscellaneous

7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Affected System Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

7.4 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 Transmission Provider and Affected System Interconnection Customer 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 Transmission Provider’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.

7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

7.6 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.

7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

7.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Affected System
Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. ____

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customer and Transmission Provider}

APPENDIX 8 - MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and among _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); _____, _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 8 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
2. Transmission Provider shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.
3. The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
5. The Affected System Study shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
6. Affected System Interconnection Customers shall each provide a deposit of [REDACTED] for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, Transmission Provider shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider

Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address
Email

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address
Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order;

and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 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 Transmission Provider and Affected System Interconnection Customer 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 Transmission Provider'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.
- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 7.6 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.
- 7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 7.8 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
 - The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.
- 7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

[Signatures on next page]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

Affected System Interconnection Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. _____

Affected System Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Project No. _____

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customers and Transmission Provider}

APPENDIX 9 - TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT (“Agreement”) is by and between _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s); and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 2 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Definitions

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

2. Term of Agreement

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customer for Transmission Provider’s design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to

Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 5 of this Agreement where Breach and Breaching Party are defined in Section 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Sections 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Transmission Provider for any such damages, including costs and expenses, incurred by Transmission Provider as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Transmission Provider, Affected System Interconnection Customer shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Section 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

3. Construction of Affected System Network Upgrade(s)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Section 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Transmission Provider written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Section 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Section 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

No interest will be paid on any amounts held by Transmission Provider.

Transmission Provider shall invoice Affected System Interconnection Customer pursuant to Section 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Transmission Provider required under this Agreement pursuant to this Section 3.1.2.1 and has not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected

System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.2.2 Recommencing of Work. If Affected System Interconnection Customer requests that Transmission Provider recommence construction of Affected System Network Upgrade(s), Transmission Provider shall have no obligation to afford such work the priority it would have had but for the prior actions of Affected System Interconnection Customer to suspend the work. In such event, Affected System Interconnection Customer shall be responsible for any costs incurred in recommencing the work. All recommenced work shall be completed pursuant to an amended schedule for the interconnection agreed to by the Parties. Transmission Provider has the right to conduct a restudy of the Affected System Study if conditions have materially changed subsequent to the request to suspend. Affected System Interconnection Customer shall be responsible for the costs of any studies or restudies required.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify Affected System Interconnection Customer. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Transmission Provider shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Section 8. Transmission Provider shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, project management and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method

provided herein. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Section 11.4.1 of the Transmission Provider's LGIA, Affected System Interconnection Customer shall be entitled to billing credits of the amount paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Section 3.3.1 or otherwise.

Affected System Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to Transmission Provider without interest, if any, for the Network Upgrades, as payments are made to Transmission Provider for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of Transmission Provider's Transmission System. Customer may assign such repayment rights to any person. Full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

3.2.2.2 Impact of Failure to Achieve Commercial Operation.

If the Affected System Interconnection Customer's Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Network Upgrades. Such payment to Affected System Interconnection Customer shall occur only after payment is received by Transmission Provider from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur, Affected System Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

If the Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Affected System Interconnection Customer for

Network Upgrades shall be set to zero and thus be forfeited by Affected System Interconnection Customer 20 years after the Effective Date of this Agreement.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Section, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Section. Notwithstanding the foregoing provisions of this Section 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement, or other contest, including the compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Transmission Provider, Transmission Provider shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or which Transmission Provider may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet Affected System

Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Section 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Transmission Provider under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Transmission Provider and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Transmission Provider shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Affected System Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

3.3.4 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

4. Security, Billing, and Payments

- 4.1 Provision of Security.** At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of Affected System Network Upgrades, Affected System Interconnection Customer shall provide to Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 11.2. Such security for payment shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Transmission Provider's Affected System Network Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. In addition:
- The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount.
 - The letter of credit must be issued by a financial institution acceptable to Transmission Provider and must specify a reasonable expiration date.
- 4.2 Invoice.** Each Party shall submit to the other Party, monthly, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, without interest to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 4.5 Interest.** Interest shall be applied and accrue on past due balances until paid at the rate of 1.5% per month in accordance with Transmission Provider's Customer Service Policy
- 4.6 Payment During Dispute.** In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to Affected System Interconnection Customer of a Default pursuant to Section 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with Transmission Provider's Customer Service Policy.

5. Breach, Cure, and Default

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Section 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

6. Termination of Agreement

6.1 Expiration of Term. Except as otherwise specified in this Section 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Section 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Section 5.3.2 of this Agreement.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, Affected System Interconnection Customer shall reimburse Transmission Provider for any costs incurred by Transmission Provider in performance of the actions required or permitted by Section 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Section 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Section 6.3.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, Transmission Provider shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Section 8.

7. Subcontractors

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this

Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Section 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

8. Confidentiality

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Section 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to

potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 8.

- 8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 8.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 8.1.6 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, public records request, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Section 8 shall survive such termination.
- 8.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Section 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 8. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 8.
- 8.1.9** Any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to

fulfill its obligations under this Agreement or as the Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

9. Information Access and Audit Rights

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Section 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Section 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Section 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Transmission Provider, to audit such accounts and records. Any audit authorized by this Section 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

10. Notices

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

Transmission Provider

Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823

With a copy to:

Public Utility District No. 2 of Grant County, Washington
Attn: General Counsel
PO Box 878
Ephrata, WA 98823

Affected System Interconnection Customer

Full Legal Name of Company

Attn:

Address

Address

- 10.2 Billings and Payments.** Billings and payments shall be sent to the addresses shown in Section 10.1 unless otherwise agreed to by the Parties.

Payments to Transmission Provider will be made via electronic funds transfer to:

Public Utility District No. 2 of Grant County, Washington

PO Box 878

Ephrata, WA 98823

- 10.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone or email to the telephone numbers and email addresses set out below:

Transmission Provider

Transmission Services Manager

(509) 754-5088

TransmissionServices@gcpud.org

General Counsel

(509) 754-5088

legal@gcpud.org

Affected System Interconnection Customer

11. Miscellaneous

- 11.1 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 11.2 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 Transmission Provider and Affected System Interconnection Customer 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 Transmission Provider'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.
- 11.3 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 11.4 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.

11.5 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

11.6 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

11.7 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Affected System
Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. ____

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting, Land Rights, and NCCRP – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Estimated Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Transmission Provider Construction Activities

Milestone No.	Description	Estimated Start Date	Estimated End Date

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer’s Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer’s payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer’s Payment/Security Obligations for Affected System Network Upgrade(s).

Milestone No.	Description	Date

Note: Affected System Interconnection Customer’s payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Section 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Transmission Provider} and {Affected System Interconnection Customer}, dated _____, 20____.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 9
Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 10 - MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT (“Agreement”) is by and among _____, organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington, (“Transmission Provider”). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s); and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 10 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Definitions

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

2. Term of Agreement

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customers for Transmission Provider’s design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected

System Interconnection Customers terminate this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 5 of this Agreement where Breach and Breaching Party are defined in Section 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Sections 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Transmission Provider for any such damages, including costs and expenses incurred by Transmission Provider as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Transmission Provider shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Transmission Provider to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Transmission Provider, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Section 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

3. Construction of Affected System Network Upgrade(s)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Section 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Transmission Provider written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Section 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Section 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all

costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

No interest will be paid on any amounts held by Transmission Provider.

Transmission Provider shall invoice Affected System Interconnection Customers pursuant to Section 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Transmission Provider required under this Agreement pursuant to this Section 3.1.2.1 and have not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.2.2 Recommencing of Work. If Affected System Interconnection Customers request that Transmission Provider recommence construction of Affected System Network Upgrade(s), Transmission Provider shall have no obligation to afford such work the priority it would have had but for the prior actions of Affected System Interconnection Customers to suspend the work. In such event, Affected System Interconnection Customers shall be responsible for any costs incurred in recommencing the work. All recommenced work shall be completed pursuant to an amended schedule for the interconnection agreed to by the Parties. Transmission Provider has the right to conduct a restudy of the Affected System Study if conditions have materially changed subsequent to the request to suspend. Affected System Interconnection Customers shall be responsible for the costs of any studies or restudies required.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify all other Parties. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Transmission Provider shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Section 8. Transmission Provider shall, at any Affected System Interconnection Customer's request and expense, use

Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, project management and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Sections 11.4.1 of Transmission Provider's LGIA, each Affected System Interconnection Customer shall be entitled to billing credits of the amount each Affected System Interconnection Customer paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Section 3.3.1 or otherwise.

Each Affected System Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to Transmission Provider without interest, if any, for the Network Upgrades, as payments are made to Transmission Provider for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the applicable Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of Transmission Provider's Transmission System. Customer may assign such repayment rights to any person. Full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

3.2.2.2 Impact of Failure to Achieve Commercial Operation.

If an Affected System Interconnection Customer's Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Network Upgrades. Such payment to Customer shall occur only after payment is received by Transmission Provider from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur, Affected System Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

If a Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Affected System Interconnection Customer for Network Upgrades shall be set to zero and thus be forfeited by Affected System Interconnection Customer 20 years after the Effective Date of this Agreement.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Section, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Section. Notwithstanding the foregoing provisions of this Section 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or

other contest, including the compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Transmission Provider, Transmission Provider shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or to which Transmission Provider may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Section 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Transmission Provider under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Transmission Provider and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Transmission Provider shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which such Affected System Interconnection Customer(s) may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Transmission Provider

shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

- 3.3.4 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

4. Security, Billing, and Payments

- 4.1 Provision of Security.** At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of Affected System Network Upgrades, Affected System Interconnection Customer shall provide to Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 11.2. Such security for payment shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Transmission Provider's Affected System Network Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. In addition:
- The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount.
 - The letter of credit must be issued by a financial institution acceptable to Transmission Provider and must specify a reasonable expiration date.
- 4.2 Invoice.** Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, without interest to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection

Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest shall be applied and accrue on past due balances until paid in accordance with Transmission Provider's Customer Service Policy.

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to such Affected System Interconnection Customer of a Default pursuant to Section 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with Transmission Provider's Customer Service Policy. in existence at the time the dispute was initiated.

5. Breach, Cure, and Default

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Section 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Transmission Provider. Transmission Provider may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer.

Transmission Provider must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Section 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

6. Termination of Agreement

6.1 Expiration of Term. Except as otherwise specified in this Section 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Disposition of Facilities Upon Termination of Agreement.

6.2.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.2.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, each Affected System Interconnection Customer shall reimburse Transmission Provider for its share of any costs incurred by Transmission Provider in performance of the actions required or permitted by Section 6.2.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Section 4.3 of this Agreement.

6.2.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Section 6.2.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such

facilities, Transmission Provider shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.3 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Section 8.

7. Subcontractors

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Section 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

8. Confidentiality

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Section 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 8.1, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, public records request,

or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Section 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Section 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Section 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 8. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 8.

8.1.9 Any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

9. Information Access and Audit Rights

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Section 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Section 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Section 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Transmission Provider, audit such accounts and records. Any audit authorized by this Section 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

10. Notices

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

Transmission Provider

Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823

With a copy to:

Public Utility District No. 2 of Grant County, Washington
Attn: General Counsel
PO Box 878
Ephrata, WA 98823

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Section 10.1 unless otherwise agreed to by the Parties.

Payments to Transmission Provider will be made via electronic funds transfer to:

Public Utility District No. 2 of Grant County, Washington
PO Box 878
Ephrata, WA 98823

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, or email to the telephone numbers and email addresses set out below:

Transmission Provider

Transmission Services Manager
(509) 754-5088
TransmissionServices@gcpud.org

General Counsel
(509) 754-5088
legal@gcpud.org

Affected System Interconnection Customer

Affected System Interconnection Customer

11. Miscellaneous

- 11.1 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 11.2 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 Transmission Provider and Affected System Interconnection Customer 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 Transmission Provider'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.
- 11.3 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 11.4 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.
- 11.5 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 11.6 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation,

and that it is authorized to conduct business in the State of Washington.

- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

11.7 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Public Utility District No. 2
of Grant County, Washington

Affected System Interconnection Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. _____

Affected System Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Project No. _____

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting, Land Rights, and NCRRP – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Estimated Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Transmission Provider Construction Activities

Milestone No.	Description	Estimated Start Date	Estimated End Date

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

Milestone No.	Description	Date

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 _____.%

Affected System Interconnection Customer 2 _____.%

Affected System Interconnection Customer N _____.%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Section 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {Transmission Provider} and {Affected System Interconnection Customers}, dated _____, 20__.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 10
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 5 TO LGIP
PUBLIC UTILITY DISTRICT NO. 2 GRANT COUNTY, WASHINGTON
STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)
CONTRACT NO. [ContractNo3]

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INTERCONNECTION AGREEMENT

This Standard Large Generator Interconnection Agreement (“Agreement”) is made and entered into by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized and existing under the laws of the State of Washington (“Grant PUD”) and [CounterpartyTitle], a _____ organized and existing under the laws of the State of _____ (“Customer”). Grant PUD and Customer each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Grant PUD operates the Transmission System to which Customer intends to interconnect; and

WHEREAS, Customer intends to own, lease and/or control and operate the Generating Facility identified in Appendix C to this Agreement;

WHEREAS, Customer has submitted an Application for Interconnection dated _____;

WHEREAS, Grant PUD has completed all required studies to determine requirements to make Interconnection Service available on its Transmission System to accommodate Customer’s Interconnection Request; and

WHEREAS, Customer and Grant PUD have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

1. Definitions

When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement. A capitalized term that is not defined in this Agreement shall have the definition in the Tariff, the LGIP or the official NERC definition, if one exists.

Adjusted Prime Rate – A rate equal to 3.0% above the per annum prime rate, or its successor, as reported daily in the Wall Street Journal. In the event the Wall Street Journal no longer publishes the Prime Rate or a successor to the Prime Rate, the Parties will work together to determine a successor rate that is considered comparable to the Prime Rate.

Affected System - An electric system other than Grant PUD's Transmission System that may be affected by the proposed interconnection.

Affected System Operator - The entity that operates an Affected System.

Affiliate - With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services - Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Grant PUD's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council - The Reliability Council (an entity operating under a delegation agreement from NERC) applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area – 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.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party - A Party that is in Breach of this Agreement.

Business Day - Monday through Friday, excluding Federal Holidays.

Calendar Day - Any day including Saturday, Sunday, or a Federal Holiday.

Cluster - A group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy - A restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study - The evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of the LGIP.

Clustering - The process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

Commercial Operation - The status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date - The date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Confidential Information - Any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Curtail or Curtailment – Any reduction in Customer generation that is required by Grant PUD or its agent.

Customer's Interconnection Facilities - All facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, Material Modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Grant PUD's Transmission System. Customer's Interconnection Facilities are sole use facilities of Customer.

Default - The failure of a Breaching Party to cure its Breach in accordance with Section 17 of this Agreement.

Distribution System - Grant PUD's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades - The additions, modifications, and upgrades to Grant PUD's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include and are not included in Interconnection Facilities.

Effective Date - The date on which this Agreement becomes effective upon execution by the Parties.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition - A condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Grant PUD, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Grant PUD's Transmission System, Grant PUD's Interconnection Facilities or the electric systems of others to which Grant PUD's Transmission System is directly connected; or (3) that, in the case of Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility, Customer's Interconnection Facilities, or Grant PUD Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Customer is not obligated by this Agreement to possess black start capability.

Energy Resource Interconnection Service - An Interconnection Service that allows Customer to connect its Generating Facility to Grant PUD's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of Grant PUD's

Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Environmental Law - Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act - The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC -The Federal Energy Regulatory Commission or its successor.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, epidemic or pandemic, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility - Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include Customer's Interconnection Facilities.

Generating Facility Capacity – The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice - Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Customer, Grant PUD, or any Affiliate thereof.

Grant PUD's Interconnection Facilities - All facilities and equipment owned, controlled or operated by Grant PUD from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, Material Modifications, additions or upgrades to such facilities and equipment. Grant PUD's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Hazardous Substances - Any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other

chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date - The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date - The date upon which Grant PUD's Interconnection Facilities are reasonably expected to be available for energization and use.

Interconnection Facilities - Grant PUD's Interconnection Facilities and Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, Material Modifications, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to Grant PUD's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Study - A study conducted by Grant PUD or a third-party consultant for Customer to determine a list of facilities (including Grant PUD's Interconnection Facilities and Network Upgrades as identified in *Cluster Study*), the cost of those facilities, and the time required to interconnect the Generating Facility with Grant PUD's Transmission System.

Interconnection Request – An applicable customer's request to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected to Grant PUD's Transmission System.

Interconnection Service - The service provided by Grant PUD associated with interconnecting Customer's Generating Facility to Grant PUD's Transmission System and enabling Grant PUD to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement and applicable business practices of Grant PUD.

Interconnection Study - Any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service study, the Interconnection Facilities Study, the Affected System Study, the Operational Interconnection Study, and a Material Modification assessment, described in the LGIP.

Inverter Based Resource (IBR) – A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

Joint Operating Committee - A group made up of representatives from Customer and Grant PUD to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility – a Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit - The deposit Customer submits in accordance with Section 11.3 of the LGIP which is referenced as an LGIA Deposit in the LGIP.

Loss - Any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under this Agreement on behalf of the Indemnified Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

Material Modification - Those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment - All metering equipment installed or to be installed at or near the Generating Facility pursuant to this Agreement at the defined metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit(s), communications equipment, phone lines, microwave communications, and fiber optics.

Natural and Cultural Resource Review Process (NCRRP) – A project review process conducted by Grant PUD, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Network Resource - Any designated generating resource owned, purchased, or leased by a Network Customer for the purpose of using Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service - An Interconnection Service that allows Customer to integrate its Generating Facility with Grant PUD Transmission System in a manner comparable to that in which Grant PUD integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades - The additions, modifications, and upgrades to Grant PUD's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Grant PUD's Transmission System to accommodate the interconnection of the Generating Facility to Grant PUD's Transmission System.

Non-Usage – Non-Usage refers to charges that do not depend on any output of energy by the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred, is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Notice of Dispute - A written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

Point of Change of Ownership - The point, as set forth in Appendix A to this Agreement, where Customer's Interconnection Facilities connect to Grant PUD's Interconnection Facilities.

Point of Interconnection - The point, as set forth in Appendix A to this Agreement, where the Interconnection Facilities connect to Grant PUD's Transmission System.

Power System Stabilizers – Devices used to minimize real power oscillations on the Transmission System.

Predicate Facilities - Those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of the LGIP.

Real Time Data - Data concerning time, activity, and state of operations in analog and/or digital format transmitted with a latency and sampling rate as specified by Grant PUD.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Site Control - The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Grant PUD will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Standard Large Generator Interconnection Agreement (LGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility.

Standard Large Generator Interconnection Procedures (LGIP) The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility.

System Operator - An individual at a Control Center of a Balancing Authority, Transmission Operator, or Reliability Coordinator, who operates or directs the operation of the Bulk Electric System (BES) in Real-time.

System Protection Facilities - The equipment, including necessary protection signal communications equipment, required to protect (1) Grant PUD's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on Grant PUD's Transmission System or on other delivery systems or other generating systems to which Grant PUD's Transmission System is directly connected.

Tariff - The Grant PUD Open Access Transmission Tariff as approved by the Grant PUD Board of Commissioners, or any agreement executed between Customer and Grant PUD governing transmission service and interconnection service prior to the Grant PUD Board of Commissioners' approval of an Open Access Transmission Tariff.

Transmission Owner - An entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to this Agreement to the extent necessary.

Transmission System - The facilities owned, controlled or operated by Grant PUD or other Transmission Owner that are used to provide transmission service.

Trial Operation - The period during which Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource - A device for the production of electricity that is characterized by an energy source that: (1) is renewable (2) has variability that is beyond the control of the facility owner or operator; and (3) does not have sufficient storage capability to provide true scheduling capability in the appropriate scheduling periods.

Withdrawal Penalty - The penalty assessed by Grant PUD to Customer if Customer chooses to withdraw or is deemed withdrawn from Grant PUD's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation as determined by Grant PUD. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

2. Effective Date, Term, and Termination

2.1 Effective Date. This Agreement shall become effective upon the last signature date. In the event Customer fails to execute this Agreement within 30 days following execution by Grant PUD, this Agreement will be of no force or effect, and neither Customer nor Grant PUD will have any rights or obligations hereunder.

2.2 Term of Agreement. Subject to the provisions of Section 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter unless at the time the Parties mutually agree to alter or terminate the Agreement.

2.3 Termination Procedures

2.3.1 Written Notice. This Agreement may be terminated by Customer after giving Grant PUD ninety (90) Calendar Days advance written notice, or by Grant PUD after the Generating Facility permanently ceases Commercial Operation as determined by Grant PUD.

2.3.2 Default. Either Party may terminate this Agreement in accordance with Section 17.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Section 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, the Parties shall use Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement:

- 2.4.1** With respect to any portion of Grant PUD's Interconnection Facilities that have not yet been constructed or installed, Grant PUD shall to the extent possible and with Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Customer elects not to authorize such cancellation, Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Grant PUD shall deliver such material and equipment, and, if necessary, assign such contracts, to Customer as soon as practicable, at Customer's expense. To the extent that Customer has already paid Grant PUD for any or all such costs of materials or equipment not taken by Customer, Grant PUD shall refund such amounts to Customer, less any costs, including penalties, fees, or charges incurred by Grant PUD to cancel any pending orders of or return such materials, equipment, or contracts.

If Customer terminates this Agreement, it shall be responsible for all costs incurred in association with that Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Grant PUD has incurred expenses and has not been reimbursed by Customer.

- 2.4.2** Grant PUD may, at its option, retain any portion of such materials, equipment, or facilities that Customer chooses not to accept delivery of, in which case Grant PUD shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

- 2.5 Disconnection.** Upon termination of this Agreement, the Parties shall take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party is otherwise responsible for these costs under this Agreement.

- 2.6 Survival.** This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

3. Regulatory Filings

- 3.1 Filing.** Grant PUD may file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, as necessary. Customer shall reasonably cooperate with Grant PUD with respect to such filing(s) and provide any information reasonably requested by Grant PUD needed to comply with applicable regulatory requirements.

4. Scope of Service

4.1 Service Options

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an as available basis. To the extent Customer wants to receive Energy Resource Interconnection Service, Grant PUD shall construct Grant PUD owned and operated facilities identified in Appendix A.

4.1.1.2 Transmission Service Implications. Under Energy Resource Interconnection Service, Customer shall be eligible to inject power from the Generating Facility across the Point of Interconnection and to Grant PUD's Transmission System on an as available basis up to the amount of MWs identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed and energized.

If the Grant PUD Balancing Authority becomes part of an organized market, Grant PUD shall work in good faith with Customer to assist with participation in the organized market.

No transmission service from the Generating Facility is assured, but Customer may obtain transmission service pursuant to Grant PUD's policies to provide such service, up to the maximum output identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD. In those instances, in order for Customer to obtain the right to deliver or inject power beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission service must be obtained from Grant PUD. Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Grant PUD's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm transmission service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Integration Service

4.1.2.1 The Product. Grant PUD must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility (1) in a manner comparable to that in which Grant PUD integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market-based congestion management, in the same manner as all Network Resources. To the extent Customer

wants to receive Network Resource Interconnection Service, Grant PUD shall construct the facilities identified in Attachment A to this Agreement.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Customer's Generating Facility to be designated by any Network Customer as a Network Resource, up to the Generating Facility's full output, on the same basis as existing Network Resources interconnected to Grant PUD's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer can utilize its network service to obtain delivery of energy from the interconnected Customer's Generating Facility in the same manner as it accesses Network Resources. A Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if Customer's Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Customer with the capability to physically deliver the output of its Generating Facility to any particular load on Grant PUD's Transmission System without incurring congestion costs. In the event of transmission constraints on Grant PUD's Transmission System, Customer's Generating Facility shall be subject to the applicable congestion management procedures in Grant PUD's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Customer's Generating Facility be designated as a Network Resource by a Network Service Customer or that Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Generating Facility as a Network Resource, it must do so pursuant to Grant PUD's Tariff.

Once Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service

request for delivery from the Generating Facility within Grant PUD's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Generating Facility be undertaken, regardless of whether or not such Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Generating Facility. However, the reduction or elimination of congestion costs may require additional studies and the construction of additional upgrades.

To the extent Customer enters into an arrangement for long term transmission service for deliveries from the Generating Facility outside Grant PUD's Transmission System, such request may require additional studies and upgrades in order for Grant PUD to grant such request.

- 4.2 Provision of Service.** Grant PUD shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.
- 4.4 No Transmission Service.** The execution of this Agreement does not constitute a request for, nor the provision of, any transmission service by Grant PUD and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Customer Provided Services.** Services provided by Customer under this Agreement are set forth in Section 13.4.1. Customer shall be paid for such services in accordance with Section 11.6.
- 4.6 Subject to Open Access Transmission Tariff ("OATT").** In the event the Grant PUD Board of Commissioners approves an Open Access Transmission Tariff, Grant PUD may convert service under this Agreement to any future OATT as applicable; provided that the Parties shall use Reasonable Efforts to ensure that the operation of the Generating Facility, the Interconnection Facilities, and the Generating Facility's interconnection with the Transmission System are maintained in the manner as set forth in this Agreement and to preserve the relative rights and obligations of the Parties under this Agreement.

5. Interconnection Facilities Design, Procurement, and Construction

- 5.1 Scope.** Grant PUD shall design, procure, and construct Grant PUD's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Grant PUD's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Grant PUD shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Grant PUD reasonably expects that it will not be able to complete

Grant PUD's Interconnection Facilities and Network Upgrades by the specified dates, Grant PUD shall provide written notice to Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

Design shall include all the tasks necessary to fully construct Grant PUD's Interconnection Facilities and Network Upgrades including a Natural and Cultural Resource Review Process.

- 5.2 Power System Stabilizers.** Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. Grant PUD reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Customer shall immediately notify Grant PUD's System Operator, or its designated representative. The Generating Facility will not be online when Power System Stabilizers are not in service and capable of automatic operation.
- 5.3 Design and Equipment Procurement.** Grant PUD shall commence scheduling design of Grant PUD's Interconnection Facilities and/or Network Upgrades and procure necessary equipment as soon as practicable after the following conditions are satisfied:
 - 5.3.1** Grant PUD has completed the applicable Interconnection Facilities Study;
 - 5.3.2** Grant PUD has received written authorization to proceed with design and procurement from Customer;
 - 5.3.3** Customer has proven Site Control to Grant PUD;
 - 5.3.4** Customer has provided security to Grant PUD in accordance with Section 11.5; and
 - 5.3.5** Customer has provided a certificate of insurance to Grant PUD in accordance with Section 18.3.
- 5.4 Construction Commencement.** Grant PUD shall commence work on the construction schedule of Grant PUD's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
 - 5.4.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.4.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Grant PUD's Interconnection Facilities and Network Upgrades; and
 - 5.4.3** Grant PUD has received written authorization to proceed with construction from Customer.
- 5.5 Work Progress.** The Parties shall keep each other advised, at least quarterly, as to the progress of their respective design, procurement and construction efforts. Either Party

may, at any time, request a progress report from the other Party. If, at any time, Customer determines that the completion of Grant PUD's Interconnection Facilities will not be required until after the specified In-Service Date, Customer shall, at that time, provide written notice to Grant PUD of such later date upon which the completion of Grant PUD's Interconnection Facilities will be required.

5.6 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Grant PUD's Transmission System and shall work diligently and in good faith to make any necessary design changes.

5.7 Other Interconnection Options.

5.7.1 Limited Operation. If any of Grant PUD's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Grant PUD may, upon the request and at the expense of Customer, perform operating studies to determine the extent to which the Generating Facility and Customer's Interconnection Facilities may operate prior to the completion of Grant PUD's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Grant PUD shall permit Customer to operate the Generating Facility and Customer's Interconnection Facilities in accordance with the results of such studies.

5.8 Customer's Interconnection Facilities (CIF). Customer shall, at its expense, design, procure, construct, own and install the CIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.8.1 Customer's Interconnection Facility Specifications. Customer shall submit specifications for the CIF, including System Protection Facilities, to Grant PUD in accordance with Appendix B – Milestones. Grant PUD shall review such specifications to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD and comment on such specifications within 60 Calendar Days of Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.8.2 Grant PUD's Review. Grant PUD's review of Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the CIF. Customer shall make such changes to the CIF as may reasonably be required by Grant PUD, in accordance with Good Utility Practice, to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD.

5.8.3 CIF Construction. The CIF shall be designed and constructed in accordance with Good Utility Practice. Within 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Customer shall deliver to Grant PUD record set drawings, information and documents for the CIF, such as: one-line and three-line

diagrams, a site plan showing the Generating Facility and the CIF, plan and elevation drawings showing the layout of the CIF, a relay functional diagram, relaying alternating current (AC) and direct current (DC) schematic wiring diagrams and relay settings for all facilities associated with Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the CIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. Customer shall provide Grant PUD specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

Customer shall adhere to applicable requirements in Grant PUD's Contractor Safety Requirements, as amended or its successor document, when performing work on Grant PUD property or facilities.

- 5.9 Grant PUD's Interconnection Facilities Construction.** Grant PUD's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice.
- 5.10 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, gate keys or access codes, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Transmission System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.11 Permits.** Grant PUD and Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations.
- 5.12 Suspension.** Customer reserves the right, upon written notice to Grant PUD, to suspend at any time all work by Grant PUD associated with the construction and installation of Grant PUD's Interconnection Facilities and/or Network Upgrades required under this Agreement with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Grant PUD's safety and reliability criteria. In such event, Customer shall be responsible for all reasonable and necessary costs which Grant PUD (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Grant PUD cannot reasonably avoid; provided, however, that prior to canceling or

suspending any such material, equipment or labor contract, Grant PUD shall obtain Customer's authorization to do so.

Grant PUD shall invoice Customer for such costs pursuant to Section 12 and shall use due diligence to minimize its costs. Customer shall pay such costs within 30 Calendar Days following receipt of the invoice. Payment in full must be received by Grant PUD prior to the recommencement of work. In the event Customer suspends work by Grant PUD required under this Agreement pursuant to this Section 5.12 and has not requested Grant PUD to recommence the work required under this Agreement on or before the expiration of two years following commencement of such suspension, this Agreement shall be deemed terminated. The two-year period shall begin on the date the suspension is requested, or the date of the written notice to Grant PUD, if no effective date of suspension is specified, whichever is earlier. Multiple requests to suspend work will cumulatively apply toward the two-year period.

- 5.13 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

5.14 Modification

- 5.14.1 General.** Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least 90 Calendar Days in advance of the commencement of the work or a shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

Grant PUD will determine if modifications to Customer facilities will require Customer to submit an Interconnection Request and will inform Customer regarding this determination. In the case of Generating Facility modifications that do not require Customer to submit an Interconnection Request, Grant PUD shall provide, as soon as practicable, an estimate of any additional modifications to the Transmission System, Grant PUD's Interconnection Facilities or Network Upgrades necessitated by such Customer modification and a good faith estimate of the costs thereof.

- 5.14.2 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, Applicable Reliability Standards, and Good Utility Practice.

- 5.14.3 Modification Costs.** Customer shall not be directly assigned the costs of any additions, modifications, or replacements that Grant PUD makes to Grant

PUD's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Grant PUD's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party. Customer shall be responsible for the costs of any additions, modifications, or replacements to Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Grant PUD shall test Grant PUD's Interconnection Facilities and Network Upgrades and Customer shall test the Generating Facility and Customer's Interconnection Facilities to ensure their safe and reliable operation. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Similar testing may be required after initial operation according to Applicable Reliability Standards. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall bear the cost of all such testing and modifications. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the Transmission System in a safe and reliable manner. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Additionally, Customer shall perform generation testing as directed by Grant PUD if performance issues are noted in or as a result of such tests.

Each Party shall have the right, upon ten (10) Business Days advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers, after meeting appropriate safety/PPE security requirements at the requester's expense; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time, no more frequently than quarterly, as it deems necessary upon reasonable notice to the other Party. Any requests beyond this scope may result in costs to the requesting Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an approval, endorsement or confirmation of any test,

element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Section 6.4 shall be deemed to be Confidential Information and treated pursuant to Section 22 of this Agreement.

7. Metering

- 7.1 General.** Each Party shall comply with the requirements of the Electric Reliability Organization or other authority, as applicable. Unless otherwise agreed by the Parties, Grant PUD shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Grant PUD's option, compensated to, the Point of Interconnection. Grant PUD shall provide metering quantities, in analog and/or digital form, to Customer upon request. Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Grant PUD's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Section 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Grant PUD or its designee. The installation, operation and maintenance thereof shall be performed entirely by Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Grant PUD shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Grant PUD shall inspect and test all Grant PUD-owned Metering Equipment upon installation and periodically thereafter as required by Grant PUD procedure or Applicable Reliability Council requirements. If requested to do so by Customer, Grant PUD shall, at Customer's expense, inspect or test Metering Equipment more frequently. Grant PUD shall give reasonable notice of the time when any inspection or test shall take place, and Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Grant PUD's failure to maintain, then Grant PUD shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Grant PUD shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Customer's expense, the metered data shall be telemetered to one or more locations designated by Grant PUD and one or more locations designated by Customer using a telecommunications protocol designated by Grant PUD. Such

telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

8. Communications

8.1 Customer Obligations. Customer shall maintain satisfactory operating communications on a 24/7 basis with Grant PUD's System Operator or representative designated by Grant PUD. Customer shall provide standard voice line and dedicated voice line at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Customer shall also provide the dedicated data circuit(s) necessary to provide Customer data to Grant PUD as set forth in Appendix D, Security Arrangement Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Grant PUD. Any required maintenance of such communications equipment shall be performed by Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load and generation data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Generating Facility, a remote terminal unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Customer, or by Grant PUD at Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Grant PUD through use of a dedicated point-to-point data circuit(s) as indicated in Section 8.1. The communication protocol for the data circuit(s) shall be specified by Grant PUD. Instantaneous bi-directional analog real power and reactive power flow data, hourly accumulator data, and 5-minute accumulator data information must be telemetered directly to the location(s) specified by Grant PUD.

Each Party shall promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to Grant PUD to the extent necessary for Grant PUD's development and deployment of power production forecasts and integration services for that class of Variable Energy Resource as specified in Appendix H. Generating Facility Data and Performance Requirements in Appendix H may change from time to time as determined by Grant PUD. Customer with a Variable Energy Resource having wind as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Customer with a Variable Energy Resource having solar as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data

including: temperature, atmospheric pressure, irradiance and maximum expected irradiance based upon calendar date and time. Grant PUD and Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to Grant PUD regarding all forced outages to the extent necessary for Grant PUD's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by Customer to Grant PUD, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Grant PUD.

9. Operations

- 9.1 General.** Each Party shall comply with the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Balancing Authority Area Notification.** At least nine months before Initial Synchronization Date, Customer shall notify Grant PUD in writing of the Balancing Authority Area in which the Generating Facility will be located. If Customer elects to locate the Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and business practices, all necessary arrangements, including but not limited to those set forth in Section 7 and Section 8 of this Agreement, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Balancing Authority Area.
- 9.3 Grant PUD Obligations.** Grant PUD shall cause the Transmission System and Grant PUD's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Grant PUD may provide operating instructions to Customer consistent with this Agreement and Grant PUD's operating protocols and procedures as they may change from time to time. Grant PUD will consider changes to its operating protocols and procedures proposed by Customer.
- 9.4 Customer Obligations.** Customer shall at its own expense, operate, maintain, and control the Generating Facility and Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Customer shall operate the Generating Facility and Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area and the Transmission System of which it is part, as such requirements are set forth in Appendix H, Generating Facility Data and Performance Requirements, of this Agreement. Appendix H will be modified by Grant PUD to reflect changes to the requirements as they may change from time to time. Either

Party may request that the other Party provide copies of the requirements set forth in Appendix H of this Agreement.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Customer is responsible for the proper synchronization of the Generating Facility to Grant PUD's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria

9.6.1.1 Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at any non-zero power output within the range of 0.95 leading to 0.95 lagging measured at the Point of Interconnection as defined in this Agreement, unless Grant PUD has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

9.6.2 Voltage Schedules. Once Customer has synchronized the Generating Facility with the Transmission System, Grant PUD shall require Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Section 9.6.1 (Power Factor Design Criteria). Grant PUD's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Grant PUD shall exercise Reasonable Efforts to provide Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Section 9.6.1 (Power Factor Design Criteria). If Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Grant PUD System Operator.

9.6.2.1 Voltage Regulators. Whenever the Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Customer shall operate the Generating Facility with its voltage regulators in automatic operation. If the Generating Facility's voltage regulators are not capable at any time of such automatic operation, Customer shall immediately notify Grant PUD's

System Operator, or their designated representative, and ensure that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, NERC standards and associated guidelines governing IBRs, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Inverter Based Resources: Customers shall be required to meet NERC standards and associated guidelines governing IBRs.

9.6.4 Primary Frequency Response. Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization Applicable Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. Customer shall notify Grant PUD that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Customer has synchronized the Generating Facility with the Transmission System, Customer shall operate the Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

- 9.6.4.1 Governor or Equivalent Controls.** Whenever the Generating Facility is operated in parallel with the Transmission System, Customer shall operate the Generating Facility with its governor or equivalent controls in service and responsive to frequency. Customer shall: (1) in coordination with Grant PUD and/or the relevant Balancing Authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization Applicable Reliability Standard that provides for equivalent or more stringent parameters. Customer shall be required to provide the status and settings of the governor or equivalent controls to Grant PUD and/or the relevant Balancing Authority upon request. If Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Customer shall immediately notify Grant PUD and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Customer shall make Reasonable Efforts to keep outages of the Generating Facility's governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the Transmission System.
- 9.6.4.2 Timely and Sustained Response.** Customer shall ensure that the Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An approved Electric Reliability Organization Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.
- 9.6.4.3 Exemptions.** Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the

thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range which will be included in Appendix H of this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix H shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Grant PUD and Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix H must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This response excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.6.5 Modifications to Frequency Response Requirements: In the event the Electric Reliability Organization materially modifies the requirements to provide

frequency response, the Parties shall work in good faith to amend this Agreement as necessary.

9.7 Outages and Interruptions.

9.7.1 Outages

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service shall use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Grant PUD or its agent/Affiliate shall post scheduled outages of its transmission facilities on the Reliability Coordinator's industry coordinated outage management system such as the Reliability Coordinator's WebOMS or its successor. Customer shall submit its planned maintenance schedules for the Generating Facility to Grant PUD for a minimum of a rolling 24 month period. Customer shall update its planned maintenance schedules as necessary and with sufficient lead time to allow Grant PUD to meet study and posting requirements. Grant PUD may request Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required to the Grant PUD System Operator.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Grant PUD may require Customer to interrupt or Curtail deliveries of electricity if such delivery of electricity could adversely affect Grant PUD's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Section 9.7.2:

- 9.7.2.1 The interruption or Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice, and Customer shall be notified as soon as practicable when the interruption or Curtailment is no longer necessary;
- 9.7.2.2 Any such interruption or Curtailment shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System, taking into account Grant PUD's legal, regulatory and operational constraints;
- 9.7.2.3 When the interruption or Curtailment must be made under circumstances which do not allow for advance notice, Grant PUD shall notify Customer by telephone as soon as practicable of the reasons for the Curtailment, interruption, or reduction, and, if known, its expected duration.
- 9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Grant PUD shall notify Customer in advance regarding the timing of such scheduling and further notify Customer of the expected duration. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Customer and Grant PUD;
- 9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Ride Through Capability and Performance. The Transmission System is designed to automatically activate a load-shedding program as required by the Electric Reliability Organization in the event of an under-frequency system disturbance. Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Electric Reliability Organization to ensure frequency "ride through" capability of the Transmission System. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Grant PUD in accordance with Good Utility Practice. Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and Electric Reliability Organization requirements and guidelines and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by reliability standard PRC-024-3 or successor mandatory ride through Applicable Reliability

Standards, the non-synchronous Generating Facility must ensure that, within any physical limitations of the Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

- 9.7.4.1 System Protection Facilities.** Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Customer's Interconnection Facilities. Grant PUD shall install at Customer's expense any System Protection Facilities that may be required on Grant PUD's Interconnection Facilities or the Transmission System as a result of the interconnection of the Generating Facility and Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 6 and that meet the industry standards for electrical work (i.e., current shorting, etc.). The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Customer's units.
- 9.7.4.5** Each Party shall test, operate and maintain System Protection Facilities and records in accordance with Good Utility Practice, or if required, NERC testing and record retention requirements.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals required by regulatory standards or suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation

unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Grant PUD's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, an open air and visible disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Customer shall be responsible for protection of the Generating Facility and Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Customer shall be solely responsible to disconnect the Generating Facility and Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment. The Parties will comply with the rules based on the ownership of the equipment. Grant PUD rules will apply to Grant PUD equipment and Customer rules will apply to Customer equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Grant PUD's Interconnection Facilities, or any part thereof, Customer shall be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Grant PUD, the remaining depreciated value, all third party users, and Customer, in accordance with Applicable Laws and

Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, shall be allocated between Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Grant PUD, all third party users, and Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

- 9.10 Disturbance Analysis Data Exchange.** The Parties shall cooperate with one another in the analysis of disturbances to either the Generating Facility or Grant PUD's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by either Good Utility Practice or NERC requirements.
- 9.11 Scheduling.** Customer shall conform to Grant PUD and/or WECC standard scheduling practices for purposes of scheduling energy and power from the Generating Facility.

10. Maintenance

- 10.1 Grant PUD Obligations.** Grant PUD shall maintain the Transmission System and Grant PUD's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.2 Customer Obligations.** Customer shall maintain the Generating Facility and Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and potential and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Grant PUD's Interconnection Facilities. The terms of payments made by Customer for costs described in this Section 10.5 are contained in Appendix C.

11. Performance Obligation

- 11.1 Customer Interconnection Facilities.** Customer shall design, procure, construct, install, own and/or control Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Grant PUD's Interconnection Facilities.** Grant PUD shall design, procure, construct, install, own and/or control Grant PUD's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Grant PUD shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Customer shall be responsible for all costs related to Distribution Upgrades and Network Upgrades.
- 11.4 Transmission Credits.**

- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Customer shall be entitled to a repayment, equal to the total amount paid to Grant PUD without interest, if any, for the Network Upgrades, as payments are made to Grant PUD for Non-Usage sensitive portion of payments made for transmission services with respect to the Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of the Grant PUD Transmission System. Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Customer and Grant PUD may adopt any alternative payment schedule that is mutually agreeable so long as Grant PUD takes one of the following actions no later than five years from the Commercial Operation Date: (1) return to Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Grant PUD will continue to provide payments to Customer on a dollar-for-dollar basis for the Non-Usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

If the Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Grant PUD shall at that time reimburse Customer for the amounts advanced for the Network Upgrades. Such payment to Customer shall occur only after payment is received by Grant PUD from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Grant PUD for use of Grant PUD's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur,

Customer is responsible for identifying the entity to which reimbursement must be made.

If the Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Customer for Network Upgrades shall be set to zero and thus be forfeited by Customer 20 years after the Effective Date of this Agreement.

11.4.2 Special Provisions for Affected Systems. Unless Grant PUD provides, under the Agreement, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Customer to the Affected System Operator as well as the repayment by the Affected System Operator. Grant PUD shall have no obligation to effectuate an agreement between Customer and Affected System Operator.

11.5 Provision of Security. At least 30 Calendar Days prior to the commencement of the design, procurement, installation, or construction of a Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Customer shall provide to Grant PUD, at Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Grant PUD and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 14.2.1. Such security for payment, as specified in Appendix B of this Agreement, shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Grant PUD for these purposes. Grant PUD must use the LGIA Deposit as required in Section 11.3 of the LGIP before requiring Customer to submit security in addition to that LGIA Deposit. Grant PUD must specify, in Appendix B of this Agreement, the dates for which Customer must provide additional security for construction of each discrete portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Customer must provide such additional security.
In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Grant PUD and contain terms and conditions that guarantee payment of any amount that may be due from Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution acceptable to Grant PUD and must specify a reasonable expiration date.

11.6 Customer Compensation. If Grant PUD requests or directs Customer to provide a service pursuant to Section 13.4.1 of this Agreement, Grant PUD shall compensate Customer in accordance with Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. There shall be no compensation if there is no applicable rate schedule then in effect.

12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding period, unless otherwise specified elsewhere in this Agreement. Each invoice shall state the time period to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Design, Procurement, and Construction Costs. Customer shall reimburse Grant PUD for actual costs incurred, including but not limited to contracted labor and consulting costs, Grant PUD labor costs, material, equipment, applicable overheads, permits, and applicable taxes, for the design, procurement, and construction of Grant PUD's Interconnection Facilities and Network Upgrades. Customer agrees to the estimated costs and payment schedule specified in Appendix B, Milestones.

Within six months after completion of the construction of Grant PUD's Interconnection Facilities and the Network Upgrades, Grant PUD shall perform a true up to determine the actual cost of the design, procurement, and construction of Grant PUD's Interconnection Facilities and the Network Upgrades and shall provide documentation of such costs to Customer in sufficient detail to enable Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any remaining amount due to Grant PUD, or refunds owed by Grant PUD, will be payable within 30 days following the completion of the true-up.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within 30 Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party shall not constitute a waiver of any rights or claims either Party may have under this Agreement.

12.4 Late Payment. Interest shall be applied and accrue on past due balances until paid in accordance with Grant PUD's Customer Service Policy.

12.5 Disputes. In the event of a billing dispute between Grant PUD and Customer, Grant PUD shall continue to provide Interconnection Service under this Agreement as long as Customer: (i) continues to make all payments not in dispute; and (ii) pays to Grant PUD or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Customer fails to meet these two requirements for continuation of service, then Grant PUD may provide notice to Customer of a Default pursuant to Section 17. Within 30 Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest in accordance with Grant PUD's Customer Service Policy.

13. Emergencies

- 13.1 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable Reliability Coordinator, ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.2 Notice.** Grant PUD shall notify Customer promptly when it becomes aware of an Emergency Condition that affects Grant PUD's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Customer's operation of the Generating Facility or Customer's Interconnection Facilities. Customer shall notify Grant PUD promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Grant PUD's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Customer's or Grant PUD's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.3 Immediate Action.** Unless, in Customer's reasonable judgment, immediate action is required, Customer shall obtain the consent of Grant PUD, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Customer's Interconnection Facilities in response to an Emergency Condition either declared by Grant PUD or otherwise regarding the Transmission System.

13.4 Grant PUD Authority

- 13.4.1 General.** Grant PUD or its agent may take whatever actions or inactions with regard to the Transmission System or Grant PUD's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Grant PUD's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Grant PUD shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Customer's Interconnection Facilities. Grant PUD may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Section 13.4.2; directing Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Customer's Interconnection Facilities. Customer shall comply with all of Grant PUD's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. Grant PUD may Curtail Interconnection Service or disconnect the Generating Facility or Customer's Interconnection Facilities, when such, Curtailment or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Grant PUD pursuant to Grant PUD's Tariff. When Grant PUD can schedule the Curtailment or disconnection in advance, Grant PUD shall notify Customer of the reasons, timing and expected duration of the Curtailment or disconnection. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the Curtailment or disconnection during periods of least impact to Customer and Grant PUD. Any Curtailment or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.5 Customer Authority. Consistent with Good Utility Practice, this Agreement and Grant PUD's business practices, Customer may take actions or inactions with regard to the Generating Facility or Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Grant PUD's Interconnection Facilities. Grant PUD shall use Reasonable Efforts to assist Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Section 11.6 of this Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law

14.2.1 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Washington, without regard to its conflicts of law principles. 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 Grant PUD'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.

14.2.2 This Agreement is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

14.3 Agreement to Cooperate. The Parties shall reasonably cooperate when one of the Parties is subject to a regulatory inquiry or audit by NERC or WECC or their replacement organizations and the subject of the inquiry or audit is affected by the interconnection between the two Parties.

15. Notices

15.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this Agreement by giving five Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Sections 9 and 10.

16. Force Majeure

16.1 Economic hardship is not considered a Force Majeure event.

16.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this section shall be confirmed in writing

as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

17. Default

- 17.1 General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Section 17.2, the Breaching Party shall have 30 Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within 30 Calendar Days, the Breaching Party shall commence such cure within 30 Calendar Days after notice and continuously and diligently complete such cure within 90 Calendar Days (or such longer period as the Parties may mutually agree) from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
- 17.2 Right to Terminate.** If a Breach is not cured as provided in this section, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section shall survive termination of this Agreement.
- 17.3 Violation of Operating Assumptions for Generating Facilities.** If Grant PUD requires Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this Agreement, Grant PUD may consider Customer to be in Breach of this Agreement if Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this Agreement at the direction of Grant PUD, Grant PUD shall not consider Customer in Breach of this Agreement.

18. Indemnity, Consequential Damages, and Insurance

- 18.1 Indemnity.** To the extent provided by law, a Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party, its Affiliates, and their owners, directors, officers, employees, and agents (collectively, the “Indemnified Party”) harmless from, any and all damages, Losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's action or inaction in the performance of its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

- 18.1.1 Indemnified Person.** If an Indemnified Party is entitled to indemnification under this Section 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 18.1, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Section 18, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.
- 18.1.3 Indemnity Procedures.** Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 18.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this Agreement for any Losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to Loss of profit or revenue, Loss of the use of equipment, cost of capital, cost of temporary equipment or

services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement shall not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

18.3.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Customer 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 deductible, self-insured retention or coverage via captive \$25,000 or above must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of Customer and not recoverable under any part of this Agreement.

Customer Required Insurance

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

- a. Premises and operations;
- b. Products and completed operations;
- c. Contractual liability;
- d. Personal injury liability (with deletion of the exclusion for liability assumed under Agreement);
- e. Pollution liability (sudden and accidental) (or provided on a standalone basis);
- f. Such insurance shall not exclude coverage for action-over liability claims; and
- g. Such insurance shall not exclude coverage for explosion (X), collapse (C) and underground hazards (U).

with the following **minimum limits:**

- h. \$1,000,000 each occurrence
- i. \$1,000,000 personal injury liability
- j. \$2,000,000 general aggregate (per project)
- k. \$2,000,000 products and completed operations aggregate

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

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.** Customer 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:** 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 Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

4. **Excess Insurance:** Excess (or umbrella) liability insurance with a **minimum limit of \$20,000,000 per occurrence and in the aggregate when combined with underlying primary limits.** This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Excess/umbrella liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

- 18.3.2 Evidence of Insurance** - Within 10 days following execution of this Agreement, Customer shall file with Grant PUD a certificate of insurance showing the insuring companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an additional insured for each policy where indicated in Section 18.3.1.

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

Grant PUD shall have the right but not the obligation of prohibiting Customer, or a subcontractor, from entering the project site or from energizing and transmitting power onto Grant PUD's Transmission System until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If Customer fails to maintain insurance as set forth above, Grant PUD may purchase such insurance at Customer's expense. Customer's failure to maintain the required insurance may result in termination of this Contract at Grant PUD's option.

18.3.3 Subcontractors - Customer shall ensure that each subcontractor maintain insurance as commercially reasonable in accordance with the power generation industry and based on their scope of work. Upon request, Customer shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor.

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

19. Assignment

This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, as determined at the time of such assignment; and provided further that Customer shall have the right to assign this Agreement, without the consent of Grant PUD, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Customer shall promptly notify Grant PUD of any such assignment. Any financing arrangement entered into by Customer pursuant to this section shall provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee shall notify Grant PUD of the date and particulars of any such exercise of assignment right(s), including providing Grant PUD with proof that it meets the requirements of Sections 11.5 and 18.3. Any attempted assignment that violates this section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment shall not be unreasonably withheld, conditioned or delayed.

20. Severability

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

21. Comparability

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Each Party agrees that it will not disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of this Agreement, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under this Agreement.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 22.1, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

22.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the

receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 22.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates, subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Customer, or to potential purchasers or assignees of Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use

Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

- 22.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 22.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 22.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 22.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 22.1.
- 22.1.9 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within 10 Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party. Notwithstanding the foregoing, a receiving Party may retain one copy of Confidential Information to the extent (i) necessary to comply with applicable law or bona fide document retention policies or (ii) backed up on relevant servers or electronic devices, provided that any Confidential Information so retained shall remain subject to the confidentiality obligations hereof.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Section 22 to the contrary, and pursuant to 18 C.F.R § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 22.1.11** Subject to the exception in Section 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other

Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

23. Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

24. Information Requirements

24.1 Information Acquisition. Grant PUD and Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Grant PUD. The initial information submission by Grant PUD shall occur no later than 180 Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Grant PUD shall provide Customer a status report on the construction and installation of Grant PUD's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Customer. The updated information submission by Customer, including manufacturer information, shall occur no later than 180 Calendar Days prior to the Trial Operation. Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Grant PUD necessary for the Cluster Study

and Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. All models used for analysis must come from the WECC approved model list.

If Customer's model or model parameters are materially different from what was originally provided to Grant PUD pursuant to an Interconnection Study agreement between Grant PUD and Customer, then Customer shall supply the updated model or model parameters to Grant PUD in order for Grant PUD to determine the impact on Grant PUD Transmission System based on the updated modeling submitted pursuant to this Section 24.3. Customer shall not begin Trial Operation until any updates to the models are accepted by Grant PUD.

- 24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Section 24 with any and all as-built Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include (if applicable) (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Grant PUD for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Customer shall provide Grant PUD any information changes due to equipment replacement, repair, or adjustment. Grant PUD shall provide Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Grant PUD-owned substation that may affect Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than 30 Calendar Days after the date of the equipment replacement, repair or adjustment.

25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Section 25.1 and to enforce their rights under this Agreement.

- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the

provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this section shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this Agreement.

25.3 Audit Rights. Subject to the requirements of confidentiality under Section 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Grant PUD's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Grant PUD's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this section shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Section 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Grant PUD's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of 24 months following Grant PUD's issuance of a final invoice in accordance with Section 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this Agreement other than those described in Section 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be 24 months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be 24 months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

26. Subcontractors

26.1 General. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each

Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that (i) in no event shall Grant PUD be liable for the actions or inactions of Customer or its subcontractors with respect to obligations of Customer under Section 5 of this Agreement and (ii) in no event shall Customer be liable for the actions or inactions of Grant PUD or its subcontractors with respect to obligations of Grant PUD under Section 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Section 26 shall not be limited in any way by any limitation of subcontractor's insurance.

27. Disputes

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within 10 Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within 20 Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 27, the terms of this Section 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 90 Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only

to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator will also be filed with FERC, if applicable.

- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

28. Representations, Warranties, and Covenants

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

- 28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
- 28.1.3 No Conflict.** The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of an ISO or RTO forming in the Northwest which may eliminate this requirement, Grant PUD shall institute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six months prior to the expected Initial Synchronization Date, Customer and Grant PUD shall each appoint at least one representative to the Joint Operating Committee. Each Party shall be responsible for the costs associated with its own participation in, or attendance at meetings of, the Joint Operating Committee. Grant PUD shall appoint the chairperson and secretary to develop meeting agendas and facilitate discussion. Each Customer shall notify Grant PUD of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but no less than annually, as determined by the chairperson to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements. If, after best efforts, agreement cannot be reached on data requirements and/or operating record requirements, Grant PUD shall have the option of unilaterally determining these requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software, and make recommendations for acquisition of equipment and/or implementation of procedures.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Grant PUD's and Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Transmission System.
- 29.1.5** Ensure that accurate and timely information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.
- 29.1.7** Maintain a list of appropriate contacts for each Party.

30. Miscellaneous

30.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 30.2 Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Section or Appendix means such Section of this Agreement or such Appendix to this Agreement, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 30.4 Entire Agreement.** This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 30.5 No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement shall not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Customer shall not constitute a waiver of Customer's legal rights to obtain an interconnection from Grant PUD. Any waiver of this Agreement shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 30.8 Multiple Counterparts.** The Parties may execute this Agreement, and any modification to the Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.
- 30.9 Modification by the Parties.** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective upon the last signature date, unless otherwise specified in the amendment, and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 30.10 No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 30.11 Incorporation by Reference.** Issues not addressed in this Agreement or that require further clarification may be addressed in the Grant PUD Interconnection Technical Requirements, as amended or its successor, which are hereby incorporated by reference and may be amended from time to time.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Public Utility District No. 2
of Grant County, Washington

[CounterpartyTitle3]

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

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

Appendix A – Interconnection Facilities, Network Upgrades, and Distribution Upgrades

1. **Interconnection Facilities**
 - 1.1 Customer's Interconnection Facilities: .
 - 1.2 Grant PUD's Interconnection Facilities:
2. **Network Upgrades.** Network upgrades include:
3. **Distribution Upgrades.**
4. **Predicate Facilities.**
5. **Point of Interconnection.**
6. **Point of Change of Ownership.**
7. **One-Line Diagram.** See Figure 1 in Exhibit 1 to Appendix B.

Appendix B - Milestones

The total estimated cost for the design, procurement, construction, and installation of Grant PUD's Interconnection Facilities is \$ _____.*. This amount shall be used by the Customer to provide financial security in accordance with Section 11.5. Quarterly payments of \$ ____ will be billed on the first day of the quarter following estimated depletion date of deposit(s) received.

* ____% of the total estimated cost is Direct Assigned and ____% of the total estimated cost is Network Upgrades. Transmission Credits per Section 11.4 will be based on final actual costs for Network Upgrades based on the percentage of costs assigned to Network Upgrades.

Site Control

Check box if applicable []

Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {Grant PUD to insert date 180 days from the effective date of this Agreement} or the Agreement may be terminated per Section 17 (Default) of this Agreement and the Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Grant PUD's LGIP (Calculation of the Withdrawal Penalty).

The table below provides estimated dates of completion. Such dates will be monitored and managed through the project management process and are subject to change.

Activity ID	Activity Name	Estimated Date
LMI-1001	Customer executes Interconnection Agreement w/ deposit equal to 20% of Interconnection Customer's estimated Network Upgrade costs (\$ ____ X ____%) minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request.(\$____) (\$____)	Start
LMI-1001.1	Demonstrates 100% Site Control (Article 5.3.3) Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility.	
LMI-1002	Customer completes their requirements specified in Article 5.3	Within 1 Month of LMI-1001 completion
LMI-1002.1	Provide written authorization of design and procurement (Article 5.3.2)	
LMI-1002.2	Posts security equal to 100% of costs for designing, procuring, constructing, and installing applicable Grant PUD Facilities (Article 5.3.4)	
LMI-1002.3	Provides certificate of insurance (Article 5.3.5)	

Activity ID	Activity Name	Estimated Date
LMI-1003	Customer provides required design information: (final one line diagram, site plan, protection scheme, etc.). Note: Design modifications to the Customer's Generating Facility after this date requiring updates to Grant PUD's network model may result in a minimum of three months added to all future milestones.	Within 1 Month of LMI-1001 completion
LMI-1003.1	Customer shall provide a detailed short circuit model of the Generating Facility. This model must be constructed using the ASPEN OneLine short circuit simulation program and contain all individual electrical components of the Generating Facility.	
LMI-1004	Grant PUD determines land requirements for Grant PUD Interconnect Facilities	Within 3 Months of LMI-1002 & 1003 completion
LMI-1005	Customer submits 30% level design drawings	Within 3 Months of LMI-1002 & 1003 completion
LMI-1006	Customer establishes retail account with Grant PUD and applies for retail service	Within 4 Months of LMI-1002 & 1003 completion
LMI-1007	Customer begins initial quarterly payments in ____ equal installments of \$_____	Due EOM of first month of calculated Calendar Qtr. after Start
LMI-1008	Grant PUD completes preliminary design and develops equipment specifications (60% completion)	Within 4 Months of LMI-1005 completion
LMI-1009	Customer submits final issue for construction drawings to Grant PUD	Within 9 ½ Months of LMI-1005 completion
LMI-1010	Grant PUD completes engineering design and commences procurement process for Grant PUD's Interconnection Facilities and Network Upgrades. Note: By mutual agreement, equipment procurement may commence sooner to mitigate supply chain constraint risks with construction bid process	Within 7 Months of LMI-1008 completion
LMI-1011	Customer completes their requirements specified in Article 5.4 - Construction Commencement	Within 7 ½ Months of LMI-1009 completion
LMI-1011.1	Customer demonstrates approval of appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval (Article 5.4.1)	
LMI-1011.2	Customer conveys required real property rights, ROW and/or easements for construction of Grant PUD's Interconnection Facilities and Network Upgrades. (Article 5.4.2)	
LMI-1011.3	Customer submits written authorization to proceed with construction from Customer (Article 5.4.3)	

Activity ID	Activity Name	Estimated Date
LMI-1012	Grant PUD obtains required Permits for construction of Interconnection Facilities and Network Upgrades.	Within 18 1/2 months of completion of LMI-1011
LMI-1013	Grant PUD commences construction	Within 1 week of completion of LMI-1012. *Target Date MM/DD/YY.
LMI-1014	Grant PUD completes construction (including commissioning activity) Grant PUD Interconnection Facility Switchyard Energization / Turnover	Within 11 ½ Months of completion of LMI-1013
LMI-1015	Customer completes necessary construction of Customer's Interconnection	*Target Date MM/DD/YY
LMI-1016	Customer performs Trial Operation, including Initial Synchronization and Gen Testing	Within 1 Month of completion of LMI-1015
LMI-1017	Customer demonstrates that they have submitted entity registration requests for all applicable entities.	Within 3 Months of completion of LMI-1015
LMI-1018	Commercial Operation Date	Within 3 Months of completion of LMI-1016
LMI-1019	Customer provides updated power flow and dynamic modelling data for any equipment changes not included in initial studies	Upon COD
LMI-1020	Customer provides Grant PUD with drawings, documents, and information specified in Article 5.8.	Within 1 Month of COD

Exhibit 1 to Appendix B - Scope of Work

1. Interconnection Facilities. The following outlines the design, procurement, construction, installation, and ownership of equipment at the Customer's Interconnection Facilities.
 - 1.1 Customer Responsibilities
 - Procure all necessary permits, lands, rights of way and easements required for the construction and continued maintenance of the Customer's Interconnection Facilities.
 - Design, procure, construct, own and maintain the Customer's Interconnection Facilities.
 - 1.2 Grant PUD Responsibilities
2. Other. The following outlines the design, procurement, construction, installation, and ownership of Grant PUD equipment past the Point of Interconnection.

Appendix C – Interconnection Details

1. Description of Generating Facility

2. Use of Facilities (UOF) Charge

Grant PUD will develop a UOF charge that applies to the Grant PUD facilities that are solely dedicated to serving the Generating Facility. This UOF charge will be included in this Appendix C. Grant PUD may update the UOF charge at any time with 60 days' notice provided to Customer.

Initially, the UOF will include ____% of all costs to operate and maintain the switchyard constructed to interconnect Customer's Generating Facility to the Grant PUD system and any facilities between the switchyard and the Point of Change of Ownership. The percentage of costs included in the UOF will be updated as appropriate when modifications are made to the switchyard.

Grant PUD will invoice Customer monthly for the UOF.

3. Service Provided to Customer when Generating Facility is Offline

Customer shall make all appropriate arrangements to take delivery any power required for the Generating Facility that is not self-provided. Any power that flows to Customer at the Point of Interconnection for auxiliary loads shall be accounted for under a separate retail service arrangement between Grant PUD and Customer. No power flowing to Customer at the Point of Interconnection may be netted against power flowing to Grant PUD at any time other than that of the delivery to the Customer. At Grant PUD's discretion and for practical reasons, Grant PUD may choose to allow Customer to net retail sales against Customer's power production. Power supplied to a storage device will be according to the terms of the applicable Grant PUD business practice.

4. Station Service

Station service will be obtained by Customer separate from this Agreement and when provided by Grant PUD will be governed by Grant PUD customer service policies for retail service.

5. Requirements that must be met by Customer prior to initiating parallel operation with Grant PUD's Transmission System or Distribution System

Grant PUD and Customer shall test and verify that its respective Interconnection Facilities, Generation Facility and Network Upgrades have passed requirements for safe and reliable operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy. Test energy received by Grant PUD shall not be subject to compensation by Grant PUD to Customer.

6. Control Technologies and Protection Systems

7. Metering Requirements

Appendix D – Security Arrangement Details

Infrastructure security of Transmission System equipment including operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC requires entities such as Grant PUD, Generation Owners, Generation Operators and others, interconnected to the Transmission System to comply with established physical and cyber-security reliability standards including all applicable CIP Standards of the Electric Reliability Organization and any other best practice recommendations from the Electric Reliability Organization, the Regional Reliability Organization (currently WECC) and/or Reliability Coordinator (currently RC West).

Appendix E – Commercial Operation Date

This Appendix E is part of the LGIA between Grant PUD and Customer.

[Date]

Re: _____ Generating Facility, Interconnection Agreement No. [ContractNo4]

Dear _____:

On **[Date]** **[Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Customer]** commenced Commercial Operation of Unit No. _____ at the Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Customer Representative]

Appendix F – Addresses for Delivery of Notices and Billing

Notices:

Grant PUD	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 With a copy to: Public Utility District No. 2 of Grant County, Washington Attn: General Counsel PO Box 878 Ephrata, WA 98823	Full Legal Name of Counterparty Attn: Address Address With a copy to:

Billings and Payments:

Grant PUD
Payments will be made via electronic funds transfer to: Public Utility District No. 2 of Grant County, Washington PO Box 878 Ephrata, WA 98823 Email remittance notices to: RemittanceGroup@gcpud.org

Customer

Alternative Forms of Delivery of Notices (telephone and email):

Grant PUD	Customer
Transmission Services Manager (509) 754-5088 TransmissionServices@gcpud.org General Counsel (509) 754-5088 legal@gcpud.org	

Appendix G – Interconnection Requirements for a Wind Generating Plant

{This Appendix G will be left blank for Generating Facilities that are not wind plants and may be updated as necessary based on current practices at the time the LGIA is developed for a specific application}

Appendix G sets forth requirements and provisions specific to a wind generating plant or a Generating Facility that contains a wind generating plant. All other requirements of this Agreement continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below

LVRT Standard

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by Grant PUD. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system or Remedial Action Scheme.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Grant PUD, or a combination of the two. Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Cluster Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Grant PUD to protect system reliability. Grant PUD and Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Appendix H – Generating Facility Data and Performance Requirements

{Section 1.1 below only applies to a solar generation plant and will be modified for other types of generation as appropriate.}

1. Variable Energy Resource and forced usage data per Section 8.4 in the LGIA

1.1 **Real Time Data:** Customer will supply the following Real Time Data to Grant PUD. This list of data will be updated as needed per Section 8.4.

- Solar irradiance in the front-side plane-of-array (POA) (W/m²)
- Solar irradiance in the back-side plane-of-array (POA) (W/m²)
- Solar irradiance in the horizontal plane (GHI) (W/m²)
- Wind speed (m/s) and direction (°)
- Ambient air temperature (°C)
- Back of Module temperature (°C)
- Precipitation (mm)
- Barometric Pressure (hPa)
- Relative Humidity (%)
- For cold climates or as required by Owner, snow depth sensor (cm)
- Diffuse Horizontal Irradiance (DHI) (W/m²)
- Albedometer (%)
- Plant DC generation (MW)
- Plant AC generation (MW and MVar)
- Plant online status (indicating if plant is online)
- State of charge of energy storage (need to indicate units)
- Energy storage DC charging load (MW)
- Energy storage DC discharge (MW)
- Energy storage AC charging load (MW)
- Energy storage AC discharge (MW)

1.2 **Generation Forecast:** If requested by Grant PUD, Customer will supply Grant PUD with a forecast of generation, including the charging and discharging of a storage resource, for the Generating Facility with an hourly time stamp for the proceeding 168 hours. This forecast will be updated on an hourly basis.

1.3 **Forced outage data:** Customer will supply data to Grant PUD with Customer's best estimate for forced outages as requested by Grant PUD for the Generation Facility. This data will be updated no more than annually if requested by Grant PUD.

2. **Operating requirements per Section 9.4.** Additional requirements may be specified in the Agreement.

2.1 All NERC requirements and guidelines that apply to Customer based on Customer's functional entity registrations and facilities.

2.2 Applicable Grant PUD documents and standards

- Switching and Clearance Procedures
- System Restoration Plan
- Grant PUD Interconnection Technical Requirements
- Any additional outage request timelines as implemented by Grant PUD

2.3 NERC standards and associated guidelines governing IBRs

2.4 Emergency Condition procedures as referenced in Section 13.1

3. **Other Data**

Operational and design data regarding the Generating Facility that Grant PUD is required to provide to FERC, NERC, WECC, or other governing authorities.

4. **Battery storage operating range to allow for frequency response per Section 9.6.4.4**

Minimum state of charge: xx%

Maximum state of charge: xx%

<Additional information per Section 9.6.4.4>

ATTACHMENT O – Standard Small Generator Interconnection Process and Interconnection Agreement



Small Generator Interconnection Procedures (SGIP)

For Generating Facilities No Larger Than 20 MW

Public Utility District No. 2 of Grant County, Washington

VERSION HISTORY

Revision No.	Date	Description
0	03/12/2026	Initial Effective Date

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1. Application

1.1 Applicability

These Small Generator Interconnection Procedures (SGIP) apply to Interconnection Requests for a Small Generating Facility. An Interconnection Customer may request to interconnect a Small Generating Facility to Transmission Provider's Distribution System only if Interconnection Customer requests to interconnect a Small Generating Facility that is a qualifying facility under the Public Utility Regulatory Policy Act ("PURPA").; A request to interconnect a certified Small Generating Facility no greater than three (3) MW (see Attachments 3 and 4 for description of certification criteria) to Transmission Provider's Distribution System shall be evaluated under the Section 2 Fast Track Process only if the eligibility requirements of Section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under Attachment 5 (10 kW Inverter Process). A request to interconnect a Small Generating Facility no larger than three (3) megawatts (MW) that does not meet the eligibility requirements of Section 2.1 or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be subject to Study Process as specified in Section 3 and must submit an application per the terms of the LGIP. If Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, irrespective of size, it must do so under the LGIP and execute the Standard Large Generator Interconnection Agreement (LGIA).

- 1.1.1 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.2 Prior to submitting an Interconnection Request per Attachment 2, Interconnection Customer may ask Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures.
- 1.1.3 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all transmission providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the Electric Reliability Organization. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.4 References in these procedures to interconnection agreement are to the SGIA unless the LGIA is the applicable agreement as specified in Section 1.1.
- 1.1.5 These procedures are not applicable to net-metering applications.

1.2 Pre-Application

- 1.2.1 Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on Transmission Provider's web site. Electric system information provided to Interconnection Customer may include

relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. Transmission Provider shall comply with reasonable requests for such information.

- 1.2.2 In addition to the information described in Section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$850 for a pre-application report on a proposed project at a specific site. Transmission Provider will make a reasonable effort to provide the pre-application data described in Section 1.2.3 to Interconnection Customer within thirty (30) Business Days of receipt of the completed request form and payment of the \$850 fee. The pre-application report produced by Transmission Provider is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to Transmission Provider's system. The written pre-application report request form shall include the information in Sections 1.2.2.1 through 1.2.2.7 below to clearly and sufficiently identify the location of the proposed Point of Interconnection and other details. If Transmission Provider determines additional data is required to complete the pre-application report, Transmission Provider will request this data and Interconnection Customer will supply this data within ten (10) Business Days. The reasonable effort deadline for the response by the Transmission Provider to a request for a pre-application report will be extended by ten (10) Business Days for each request for additional data.
- 1.2.3 Project contact information, including name, address, phone number, and email address.
 - 1.2.3.1 Project location (street address with nearby cross streets and town)
 - 1.2.3.2 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 1.2.3.3 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 1.2.3.4 Size (alternating current kW)
 - 1.2.3.5 Single or three phase generator configuration
 - 1.2.3.6 Stand-alone generator (no onsite load, not including station service – Yes or No?) Availability of net-metering is subject to Transmission Provider's policies at the time of application.
 - 1.2.3.7 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change. Availability of net-metering is subject to Transmission Provider's policies at the time of application.
- 1.2.4 Using the information provided in the pre-application report request form in Section 1.2.2, Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by Transmission

Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to Section 1.2.4, the pre-application report will include the following information:

- 1.2.4.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
- 1.2.4.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
- 1.2.4.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.4.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.4.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.4.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.4.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.4.8 Relevant line Section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in Section 2.4.4.1. below and absolute minimum load, when available.
- 1.2.4.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.4.10 Number of phases available at the proposed Point of Interconnection. If a single-phase, distance from the three-phase circuit.
- 1.2.4.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 1.2.4.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.4.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that

location, short circuit interrupting, capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.,

- 1.2.5 The pre-application report need only include existing data. A pre-application report request does not obligate Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, Transmission Provider shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to Section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this Section, Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

Interconnection Customer shall submit its Interconnection Request to Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. If an Interconnection Customer makes an Interconnection Request pursuant to this SGIP and must subsequently submit an application under the LGIP as specified in Section 3, the application fee made pursuant to this SGIP will be used to offset the application fee required by the LGIP. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and timestamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and timestamp for the purposes of any timetable in these procedures. Interconnection Customer shall be notified of receipt by Transmission Provider within five (5) Business Days of receiving the Interconnection Request. Transmission Provider shall make reasonable efforts to notify Interconnection Customer within twenty (20) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to Transmission Provider. Notwithstanding the above, Transmission Provider may request additional information from an Interconnection Customer that has a complete application, and Interconnection Customer will supply data as requested by Transmission Provider. Interconnection Customer will have ten (10) Business Days after receipt of the notice for such additional information to submit the listed information or to request an extension of time to provide such information.

1.4 Modification of the Interconnection Request

Any modification by Interconnection Customer to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by Transmission Provider and Interconnection Customer may be deemed a withdrawal of the

Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken. Any such modification of the Interconnection Request must be accompanied by any resulting updates to the data or models described in Attachment 2 of this SGIP.

1.5 Modifications to Existing Generating Facilities

1.5.1 Permissible Modifications

- 1.5.1.1 An Interconnection Customer with an existing Generating Facility is permitted to make modifications to the Existing Generating Facility under this Section 1.5.1, if the modifications do not increase the Generating Facility Capacity or have an impact on the Transmission System that would require a new Interconnection Request.

1.5.2 Transmission Provider's Sole Discretion

- 1.5.2.1 Transmission Provider, at its sole discretion, will determine whether the proposed changes by Interconnection Customer require a new Interconnection Request. Transmission Provider may perform any necessary additional studies to determine whether the proposed modifications require a new Interconnection Request. Interconnection Customer shall be responsible for any cost of additional studies.

1.5.3 Modifications to Applicable Agreements

- 1.5.3.1 Transmission Provider shall determine the necessary changes to Interconnection Customer's applicable SGIA and/or other application interconnection agreements. Prior to making any Permissible Modifications under Section 1.5.1, Interconnection Customer shall sign a revised SGIA and/or interconnection agreement.

1.6 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.6.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.6.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.6.3 An exclusive or other business relationship between Interconnection Customer and the entity having the right to sell, lease, or grant Interconnection Customer the right to possess or occupy a site for such purpose.

1.7 Queue Position

Interconnection Requests that are subject to the LGIP will be assigned to the applicable Cluster as specified in Section 4.1 of the LGIP. The date of the Interconnection Request pursuant to this SGIP will be used to determine the applicable Cluster.

1.8 Interconnection Requests Subject to this SGIP

All Interconnection Requests submitted after October 1, 2023 are subject to this SGIP.

2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in Section 2.2.1 below or the Supplemental Review screens in Section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to Transmission Provider at a voltage greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or Transmission Provider must review the design or test the proposed Small Generating Facility and determine it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW

2.2 Initial Review

Transmission Provider shall perform an initial review using the screens set forth below, shall notify Interconnection Customer of the results, and shall include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens.

¹ For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American Wire Gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to Section 1.2.

2.2.1 Screens

- 2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on Transmission Provider's Distribution System located within Transmission Provider's Balancing Authority Area.
- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15% of the Main Line annual peak load as most recently measured at the substation. A line section is that portion of an electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.³
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.
- 2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line	Type of Interconnection to Primary Distribution Line	Result / Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen

³ A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).

Three-phase, four wire	Effectively grounded 3 phase or Single-phase, line- to-neutral	Pass screen

- 2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- 2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the same circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).
- 2.2.1.10 No construction of facilities by Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved, and Transmission Provider will provide Interconnection Customer an executable interconnection agreement.

2.2.3 If the proposed interconnection fails the screens, but Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, Transmission Provider shall provide Interconnection Customer an executable interconnection agreement.

2.2.4 If the proposed interconnection fails the screens, and Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless Interconnection Customer is willing to consider minor modifications or further study, Transmission Provider shall provide Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, Transmission Provider shall notify Interconnection Customer of that determination within ten (10) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within fifteen (15) Business Days of Transmission Provider's determination, Transmission Provider shall offer to convene a customer options meeting with Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the

Small Generating Facility to be connected safely and reliably. At the time of notification of Transmission Provider's determination, or at the customer options meeting, Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to Transmission Provider's electric system. If Interconnection Customer agrees to pay for the modifications to Transmission Provider's electric system, Transmission Provider will provide Interconnection Customer with an executable interconnection agreement; or
- 2.3.2 Offer to perform a supplemental review in accordance with Section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain Interconnection Customer's agreement to continue evaluating the Interconnection Request under the Section 3 Study Process.

2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of Transmission Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the Section 3 Study Process unless it is withdrawn by Interconnection Customer.
- 2.4.2 Interconnection Customer may specify the order in which Transmission Provider will complete the screens in Section 2.4.4.
- 2.4.3 Interconnection Customer shall be responsible for Transmission Provider's actual costs for conducting the supplemental review. Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, Transmission Provider will return such excess within twenty (20) Business Days of the invoice without interest.
- 2.4.4 Following receipt of the deposit for a supplemental review, Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens. Unless Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time Interconnection Customer accepted the offer of supplemental review, Transmission Provider shall notify Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in Section 2.4.4.1, within five (5) Business Days of making such determination to obtain Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this Section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under Section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection

Request by Interconnection Customer.

2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility Capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under Section 2.4.4.

- The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of Screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- When this screen is being applied to a Small Generating Facility that serves some station service load, only the net injection into Transmission Provider's electric system will be considered as part of the aggregate generation.
- Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

- Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

- Whether the loading along the line section is uniform or even.
- Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.
- Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved, and Transmission Provider will provide Interconnection Customer with an executable interconnection agreement. If the proposed interconnection fails any of the supplemental review screens and Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Section 3 Study Process consistent with Section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by Transmission Provider on its own system, the interconnection agreement shall be provided after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and Interconnection Customer agrees to pay for the modifications to Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to Interconnection Customer after receiving written notification of the supplemental review results.

2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to Transmission Provider's system to pass the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, Transmission Provider shall notify Interconnection Customer, at the same time it notifies Interconnection Customer with the supplemental

review results, that the Interconnection Request shall be evaluated under the Section 3 Study Process unless Interconnection Customer withdraws its Small Generating Facility.

3. Study Process

The Study Process under the LGIP shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Transmission System or Distribution System if (a) the Small Generating Facility did not pass the Fast Track Process, or (b) the Transmission Provider determines that the Small Generating Facility cannot be interconnected under the 10 kW Inverter Process.

4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless Transmission Provider and Interconnection Customer agree to a different schedule. If Transmission Provider cannot meet a deadline provided herein, it shall notify Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

4.2.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this SGIP.

4.2.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior

arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 4.2, the terms of this Section 4.2 shall prevail.

4.2.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

4.2.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, and/or local regulatory requirements and Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. Transmission Provider must be given at least ten (10) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests. Transmission Provider may be represented by a designated third party at such tests.

4.5 Confidentiality

Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as

confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

By signing an agreement with Transmission Provider related to the SGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the SGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the SGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 4.5, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

4.5.1 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the SGIA; or (6) is required, in accordance with Section 4.5.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the SGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

4.5.2 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality

provisions of this Section 4.5 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 4.5.

4.5.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

4.5.4 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

4.5.5 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

4.5.6 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, public records request, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

4.5.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 4.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 4.5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive

remedy for the Breach of this Section 4.5. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 4.5.

4.5.8 Disclosure

Any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this SGIP or as a transmission service provider or a *Balancing Authority Area* operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

4.5.9 Public Domain

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

4.5.10 Confidential Information No Longer Needed

Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

4.6 Comparability

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from Transmission Provider, Interconnection Customer shall have thirty (30) Business Days to sign and return the interconnection agreement. If Interconnection Customer does not sign the interconnection agreement within thirty (30) Business Days the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.8.1 Facilities Operation and Maintenance

The interconnection agreement will set forth funding required, if any, for long-term operations and maintenance associated with the interconnection.

Ownership of installed facilities is determined on a case-by-case basis. Notwithstanding ownership, Transmission Provider generally retains operation and dispatching authority of all facilities that Transmission Provider considers to be an integral part of the Transmission Provider Transmission System.

Transmission Provider reserves the right to approve Transmission System changes at the tap, substation, or interconnection that affect operation of Transmission Provider facilities, including interconnecting with facilities of a third entity.

4.8.2 Environmental Requirements and Cultural Reviews

The Natural and Cultural Resource Review Process or NCCRP is a project review process conducted by Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Costs associated with environmental and cultural studies, including costs associated with an NCCRP will be funded as part of the interconnection agreement.

Transmission Provider is required to assess the potential environmental impacts of any proposed interconnection in accordance with the State Environmental Policy Act (SEPA) and other environmental regulations. Interconnection Customers are advised to consult with Transmission Provider as early as possible in the planning process to obtain guidance with respect to the appropriate level and scope of any studies or environmental information that Transmission Provider requires. The Washington State Department of Ecology's SEPA requires that Transmission Provider begin environmental review as soon as practicable. The nature of the interconnection request will dictate the level of SEPA compliance required.

The environmental review process can range from a categorical exclusion to a comprehensive environmental impact statement, including the required public process for such a statement. The duration of the cultural review process depends on preliminary findings. Findings may also rule the project as non-viable or require substantial archaeological studies for significant cultural sites. The environmental and cultural review process uses input from previous and other ongoing studies and construction planning processes. Continuation of the interconnection process at any and every step is contingent upon favorable environmental and cultural review.

If the Interconnection Request does not involve integration of a new source of

generation into Transmission Provider transmission facilities, change the operation limits of existing generation, provide service to new discrete loads, or cause major system changes and there are no adverse impacts identified, Transmission Provider may be able to prepare a categorical exclusion for the interconnection. This process can take up to six months to complete, depending on the scope of the interconnection. If the interconnection does involve any of the actions mentioned above, the environmental review process may take 18 months or more, depending on the scope of the interconnection. If Transmission Provider determines that an environmental assessment (EA) or an environmental impact statement (EIS) is required, Transmission Provider may prepare the EA or EIS and, if necessary, use a contractor selected by Transmission Provider. If an EA is prepared, one result may be a determination that an EIS is necessary (in the case that significant impacts may occur or controversy is likely), thus extending the time to complete SEPA compliance.

Transmission Provider may participate in the environmental process of another Federal, State, or local agency involved with a project to satisfy portions of its SEPA requirements. Environmental reviews and related studies conducted by other agencies cannot, however, be routinely adopted, and must meet the standards placed upon Transmission Provider by SEPA or other governmental agency procedures.

4.9 Coordination with Affected Systems

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with Transmission Provider and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

The Affected System Operator whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to transmission provider's transmission system.

4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then Interconnection Customer must obtain Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which Interconnection Customer proposes to implement such a limit

will not adversely affect the safety and reliability of Transmission Provider's system. If Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system without such limitations. Furthermore, nothing in Section 4.10 shall prevent Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

4.11 Delegation of Responsibility

Transmission Provider may use the services of contractors and subcontractors as it deems appropriate to perform its obligations under this SGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such contractors and subcontractors and compliance with its obligations of this SGIP. All contractors and subcontractors shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

4.12 Tax Exempt Bonds

4.12.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

The Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund its transmission, including as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of the SGIA and this SGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the SGIA and this SGIP if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

4.12.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities, it shall advise the Interconnection Customer and shall not be obligated to provide service.

Interconnection Customer thereafter may renew its request for interconnection using the processes in the Transmission Provider's SGIP.

4.13 No Payment of Interest

Transmission Provider will not pay any interest on funds held for any purpose unless the payment of interest is specified for a particular purpose in this SGIP or in an applicable agreement.

4.14 Reliability Requirements

Interconnection to Transmission Provider's transmission facilities will be consistent with Good Utility Practices. A proposed interconnection must not degrade the reliability or operating flexibility of the existing power system and must not cause Transmission Provider's

Transmission System to violate NERC transmission system performance criteria, as specified in applicable reliability standards, nor the Transmission Provider Reliability Coordinator's System Operating Limit methodology requirements. The interconnection must comply with WECC standards, policies, and procedures. When involving Transmission Provider owned, operated, or maintained facilities, the interconnection must also comply with Transmission Provider engineering design and operation criteria, including but not limited to the Transmission Provider's Transmission Planning Guidelines and Distribution Planning Guidelines. Additionally, the interconnection must adhere to any regional planning or operating entities' criteria in effect, and the criteria of other entities affected by the interconnection.

Interconnection Customer will be responsible for testing and reporting requirements in accordance with applicable NERC and WECC Standards/criteria and any similar standards of a successor organization to either NERC or WECC.

4.15 Safety and Security Requirements

When making an interconnection to Transmission Provider facilities, Interconnection Customer shall perform construction to comply with applicable safety laws, building and construction codes. These include provisions of applicable Federal, State, and local safety, health and/or industrial regulations or codes. In addition, Interconnection Customer must adhere to Transmission Provider's Contractor Safety Requirements when working on Transmission Provider property.

If Interconnection Customer does not adhere to construction and safety requirements, Transmission Provider may issue an order to stop all or any part of the work until such time Interconnection Customer demonstrates compliance with the provision at issue. Interconnection Customer cannot make a claim for compensation or damage resulting from such work stoppage.

4.16 Land Acquisition and Land Use Permitting Requirements

Land acquisition and land use permitting will be included in the interconnection agreement. This work involves initiating research of property ownership and zoning, title search and determination, legal land surveys, preparation of legal descriptions and documents, and appraisals. The process may extend through the completion of construction. Typically, negotiations between Transmission Provider, Interconnection Customer and/or affected landowners do not begin until the environmental record of decision or finding of no significant impact is complete, prior to construction.

If the interconnecting facilities are to be owned by Transmission Provider, then any new land rights necessary for the interconnection must be owned by Transmission Provider. Transmission Provider typically conducts all land acquisition and land use permitting activities, including title search and determination, legal land surveys, preparation of legal documents, title insurance, appraisals, negotiations, payment and recording of documents in the County Auditor's Office. Projects may also require damage resolution with landowners following construction. All land rights must be acquired pursuant to Federal, State, County and local laws governing acquisition of real property and land use permits, which is particularly important when other Federal, State and institutional lands are affected by the interconnection.

In certain circumstances, Transmission Provider may determine that Interconnection Customer is capable of performing the necessary land rights and land use permit activities. When this is

the case, Transmission Provider will coordinate closely with Interconnection Customer to ensure proper procedures are followed, and that the proper land rights and land use permits are obtained. Agreements concerning land acquisition issues such as fee or easement, right-of-way width, and title acceptability must be reached between Transmission Provider and Interconnection Customer before any land rights are acquired and transferred to Transmission Provider.

Attachment 1 Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the Section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system affected by a proposed interconnection in a different electric system.

Affected System Operator - The entity that operates an Affected System.

Business Day – The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

Distribution System – Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation or its successor organization.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of Section 2.1 and includes the Section 2 screens, customer options meeting, and optional supplemental review.

Generating Facility Capacity - The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and act which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Interconnection Customer – Any entity, including Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with Transmission Provider's Transmission System.

Interconnection Facilities – Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and

equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – An Interconnection Customer's request pursuant to the terms of this SGIP to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service - The service provided by the Transmission Provider associated with interconnecting Interconnection Customer's Small Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Small Generating Facility at the Point of Interconnection, pursuant to the terms either the Small Generator Interconnection Agreement or the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Inverter Based Resource - A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

Main Line - The primary or principal circuit that carries electrical power from the substation to various distribution points. It serves as the central route through which electricity flows to supply multiple branches or feeders.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource – Any designated generating resource owned, purchased, or leased by a Network Customer for the purpose of using Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis except for purposes of fulfilling obligations under a reserve sharing program.

Network Resource Interconnection Service – An Interconnection Service that allows Interconnection Customer to integrate its Generating Facility with Transmission Provider's System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market-based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – Transmission Provider, Transmission Owner, Interconnection Customer or any

combination of the above.

Permissible Modification – Any modification permitted under Section 1.5.1 of this SGIP.

Point of Interconnection – The point where the Interconnection Facilities connect with Transmission Provider's Transmission System.

PURPA – The Public Utility Regulatory Policies Act of 1978

Qualified Small Generating Facility - A Small Generating Facility that has a Generating Facility Capacity of at least 10 kW and that does not meet the criteria for the Fast Track Process as described in Transmission Provider's SGIP.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by Transmission Provider.

Small Generating Facility – Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request which has a Generating Facility Capacity of no more than 20 MW but shall not include Interconnection Customer's Interconnection Facilities.

Small Generator Interconnection Agreement (SGIA) – The form of interconnection agreement applicable to certain Interconnection Requests for a Small Generating Facility that are not required to use an LGIA as specified in Section 1.1.1.

Standard Large Generator Interconnection Procedures (LGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility and a Qualified Small Generating Facility as specified in Transmission Provider's SGIP.

Study Process – The procedure in the LGIP for evaluating an Interconnection Request that is not eligible for the Fast Track Process or qualify for the 10 kW Inverter Process.

Tariff - The Transmission Provider's Open Access Transmission Tariff as approved by the Transmission Provider's Board of Commissioners, or any agreement executed between Customer and Transmission Provider's governing transmission service and interconnection service prior to the Transmission Provider's Board of Commissioners' approval of an Open Access Transmission Tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – Public Utility District No. 2 of Grant County, Washington.

Transmission Provider's Contractor Safety Requirements – The document titled Contractor Safety Requirements maintained by Transmission Provider

Transmission System – The facilities owned, controlled or operated by Transmission Provider or the Transmission Owner that are used to provide transmission service.

Upgrades – The required additions and modifications to Transmission Provider's Transmission System at

or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2 – Small Generator Interconnection Request

This form is only applicable to Interconnection Requests with a Generating Facility Capacity that meet the applicability requirements of Section 2.1 of the SGIP.

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP Section 1.6, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions - An Interconnection Customer must submit this Interconnection Request by hand delivery, mail, or e-mail to Transmission Provider.

Processing Fee or Deposit - If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$1,000.

If the Interconnection Request does not qualify for the Fast Track Process, Interconnection Customer shall be subject to the Study Process in Transmission Provider's LGIP as specified in Section 3 of this SGIP.

**Small Generator Interconnection Request – Application Form
Public Utility District No. 2 of Grant County, Washington**

Applicant's Legal Entity Name:	
Applicant's Mailing Address (include state and zip):	
Name of Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Name of Alternate Contact:	
Title of Alternate Contact:	
Alternate Contact Mailing Address (include state and zip):	
Alternate Contact Office and Mobile Numbers:	
Alternate Contact Email:	
Specific location of the proposed new or existing Generating Facility site:	Address: Longitude: Latitude: Parcel Number(s):
Requested Point of Interconnection:	Transmission Substation or Transmission Line:
Requested In-Service Date:	
Application is for:	☐ New Small Generating Facility ☐ Capacity addition to Existing Small Generating Facility
If capacity addition to existing facility, please describe:	
Will the Small Generating Facility be used for any of the following? The Availability of the following options is subject to Transmission Provider's policies at the time of application.	
Net Metering? ☐ Yes ☐ No	
To Supply Power to Interconnection Customer? ☐ Yes ☐ No	
To Supply Power to Others? ☐ Yes ☐ No	

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro Type (e.g., Run-of-River) _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (specify) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb ☐ Microturbine ☐ PV
☐ Other (specify) _____

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ☐ Yes ☐ No

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this Interconnection Request:

Elevation: _____ Single phase: _____ Three phase: _____

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)
Max design fault contribution current: _____ Instantaneous or RMS _____?
Harmonics Characteristics: _____
Start-up requirements: _____
Small Generating Facility Characteristic Data (for rotating machines)
RPM Frequency: _____
(*) Neutral Grounding Resistor (If Applicable): _____
Synchronous Generators:
Direct Axis Synchronous Reactance, X_d : _____ P.U.
Direct Axis Transient Reactance, X'_d : _____ P.U.
Direct Axis Subtransient Reactance, X''_d : _____ P.U.
Negative Sequence Reactance, X_2 : _____ P.U.
Zero Sequence Reactance, X_0 : _____ P.U.
KVA Base: _____ Field Volts: _____ Field Amperes: _____
Induction Generators:
Motoring Power (kW): _____
I ² t or K (Heating Time Constant): _____
Rotor Resistance, R_r : _____
Stator Resistance, R_s : _____
Stator Reactance, X_s : _____
Rotor Reactance, X_r : _____
Magnetizing Reactance, X_m : _____
Short Circuit Reactance, X_d'' : _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base
Note: Please contact Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.
Excitation and Governor System Data for Synchronous Generators Only
Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information			
Will a transformer be used between the generator and the point of common coupling? ☐ Yes ☐ No			
Will the transformer be provided by Interconnection Customer? ☐ Yes ☐ No			
Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):			
Is the transformer: _____ single phase _____ three phase? Size: _____ kVA			
Transformer Impedance: _____ % on _____ kVA Base			
If Three Phase:			
Transformer Primary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Secondary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Tertiary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):			
(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)			
Manufacturer: _____ Type: _____ Size: _____ Speed: _____			
Interconnecting Circuit Breaker (if applicable):			
Manufacturer: _____ Type: _____			
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____			
Interconnection Protective Relays (If Applicable):			
<u>If Microprocessor-Controlled:</u> List of Functions and Adjustable Setpoints for the protective equipment or software:			
	Setpoint Function	Minimum	Maximum
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
<u>If Discrete Components:</u> (Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)			
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Current Transformer Data (If Applicable):			
(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)			
Manufacturer: _____			
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____			
Manufacturer: _____			

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
Potential Transformer Data (If Applicable):
Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
General Information
Enclose a copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ☐ Yes ☐ No Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation). Proposed location of protective interface equipment on property (include address if different from Interconnection Customer's address) _____ Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ☐ Yes ☐ No Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed? ☐ Yes ☐ No
Applicant Signature
I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct. Signature: Print Name: Title: Date:

Attachment 3 - Certification Codes and Standards

(See Certification Codes and Standards posted on Transmission Provider's public website)

Attachment 4 - Certification of Small Generator Equipment Packages

1. Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
2. Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
3. Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
4. If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
5. Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
6. An equipment package does not include equipment provided by the utility.
7. Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5 - Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process") not covered by net-metering

1. Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to Public Utility District No. 2 of Grant County, Washington ("Transmission Provider").
2. Transmission Provider acknowledges receipt of the Application within five (5) Business Days of receipt to Customer.
3. Transmission Provider evaluates the Application for completeness and notifies Customer within twenty (20) Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
4. Transmission Provider verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). Unless Transmission Provider determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, Transmission Provider approves the Application and returns it to Customer. Note to Customer: Please check with Transmission Provider before submitting the Application if disconnection equipment is required.
5. After installation, Customer returns the Certificate of Completion to Transmission Provider. Prior to parallel operation, Transmission Provider may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
6. Transmission Provider notifies Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, Transmission Provider has the right to disconnect the Small Generating Facility. Customer has no right to operate in parallel until a witness test has been performed, or previously waived by the Transmission Provider on the Application. Transmission Provider will endeavor to complete this witness test within twenty (20) Business Days of the receipt of the Certificate of Completion.
7. Contact Information – Customer must provide the contact information for the legal applicant (i.e., Interconnection Customer). If another entity is responsible for interfacing with Transmission Provider, that contact information must be provided on the Application.
8. Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
9. UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

**Application for Interconnecting a Certified Inverter-Based Small Generating Facility
No Larger than 10kW that does not include net-metering**

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP Section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

A non-refundable processing fee of \$850.00 must accompany this Application.

Interconnection Customer:	
Legal Entity Name:	
Mailing Address (include state and zip):	
Name of Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Contact (if different from Interconnection Customer):	
Legal Entity Name:	
Mailing Address (include state and zip):	
Name Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Small Generating Facility Information:	
Owner of the facility (indicate % ownership by any legal entity):	

Inverter Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: ☐ Photovoltaic ☐ Reciprocating Engine ☐ Fuel Cell ☐ Turbine

☐ Other (describe): _____

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil

☐ Other (describe): _____

Is the equipment UL1741 Listed? ☐ Yes ☐ No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing.

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signature: _____

Print Name: _____

Title: _____

Date: _____

The section below is for Transmission Provider use only

Contingent Approval to Interconnect the Small Generating Facility

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Signature: _____

Print Name: _____

Title: _____

Date: _____

Application ID number: _____

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed?	☐ Yes ☐ No
Interconnection Customer:	
Name of Contact:	
Address:	
Office and Mobile Numbers:	
Email:	
Location of Small Generating Facility (if different from above):	

Electrician	
Name:	
Address:	
Phone Number:	
Email:	
License Number:	
Location of Small Generating Facility (if different from above):	
Date Approval to Install Facility granted by the Transmission Provider:	
Applicant ID Number:	

Inspection:	
The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of:	
Signature (local electrical wiring inspector or attach a signed electrical inspection):	
Signature: Print Name: Title: Date:	

As a condition of interconnection, you are required to send a copy of this form along with a copy of the signed electrical permit to (insert Transmission Provider information below):

Grant PUD
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

Please contact the Transmission Services Manager at Grant PUD to obtain instructions for electronic transfer of documents and funds.

The section below is for Transmission Provider use only

Approval to Energize the Small Generating Facility

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW.

Signature:	_____
Print Name:	_____
Title:	_____
Date:	_____

Application ID number: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1. Construction of the Facility

Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when Public Utility District No. 2 of Grant County, Washington ("Transmission Provider") approves the Interconnection Request (the "Application") and returns it to the Customer.

2. Interconnection and Operation

Customer may operate Small Generating Facility and interconnect with Transmission Provider's electric system once all of the following have occurred:

2.1 Upon completing construction, Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 Customer returns the Certificate of Completion to Transmission Provider, and

2.3 Transmission Provider has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by Transmission Provider, at its own expense, within ten (10) Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. Transmission Provider shall provide a written statement that the Small Generating Facility has passed inspection or shall notify Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 Transmission Provider has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.4 Revenue quality metering equipment, as specified by the Transmission Provider, must be installed and tested in accordance with applicable ANSI standards.

3. Safe Operations and Maintenance

Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4. Access

Transmission Provider shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. Transmission Provider shall provide reasonable notice to the Customer, when possible, prior to using its right of access.

5. Disconnection

Transmission Provider may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 Transmission Provider shall inform Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6. Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7. Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state. The Customer's insurance will include the Transmission Provider as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the Transmission Provider.

8. Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.

9. Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By Customer

By providing written notice to Transmission Provider.

9.2 By Transmission Provider

If the Small Generating Facility fails to operate for any consecutive 12-month period or Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, Transmission Provider shall have the right to disconnect its facilities or direct Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10. Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies Transmission Provider.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

**SMALL GENERATOR INTERCONNECTION
AGREEMENT**

(SGIA)

(For Generating Facilities No Larger Than 20 MW)

Contract Documents ~~XXX-XXXXX~~

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This Small Generator Interconnection Agreement (“Agreement”) is made and entered into by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized and existing under the laws of the State of Washington (“Grant PUD”) and _____, a _____ organized and existing under the laws of the State of _____ (“Customer”). Grant PUD and Customer each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Grant PUD operates the Transmission System to which Customer intends to interconnect; and

WHEREAS, Customer intends to own, lease and/or control and operate the Small Generating Facility identified in Attachment 2 to this Agreement;

WHEREAS, Customer has submitted an Application for Interconnection dated _____;

WHEREAS, Grant PUD has completed all required studies to determine requirements to make Interconnection Service available on its Transmission System or Distribution System to accommodate Customer’s Interconnection Request; and

WHEREAS, Customer and Grant PUD have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System or Distribution System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which Customer’s Small Generating Facility will interconnect with, and operate in parallel with, Grant PUD's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver Customer's power. The purchase or delivery of power and other services that Customer may require will be covered under separate agreements, if any. Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable transmission provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between Grant PUD and Customer.
- 1.5 Responsibilities of the Parties
 - 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility

Practice.

- 1.5.2 Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 Grant PUD shall construct, operate, and maintain its Transmission System, Distribution System, and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of Grant PUD and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. Grant PUD and Customer, as appropriate, shall provide Interconnection Facilities that adequately protect Grant PUD's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 Grant PUD shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of Grant PUD and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with Grant PUD's automatic load-shed program. Grant PUD shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the

Balancing Authority Area on a comparable basis. The term “frequency ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by reliability standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post-disturbance periods at pre-disturbance levels unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

- 1.5.8 Balancing Authority Area Notification. At least nine months before Initial Synchronization Date, Customer shall notify Grant PUD in writing of the Balancing Authority Area in which the Generating Facility will be located. If Customer elects to locate the Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and business practices, all necessary arrangements, including but not limited to remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Balancing Authority Area.
- 1.6 Data Supply and Parallel Operation Obligations. Customer shall abide by all rules and procedures pertaining to the parallel operation and supply of data of the Small Generating Facility in the applicable Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for Grant PUD's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement. 3) the data requirements and other requirements set forth in Attachment 7, Generating Facility Data and Performance Requirements, of this Agreement. Attachment 7 will be modified by Grant PUD to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Attachment 7 of this Agreement.
- 1.7 Metering. Customer shall be responsible for Grant PUD's reasonable and necessary cost for the

purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established different requirements that apply to all similarly situated synchronous generators in the Balancing Authority Area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. Customer shall design its Small Generating Facility to maintain a composite power delivery at any non-zero power output measured at metering point at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established a different power factor range that applies to all similarly situated non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

1.8.2 Reactive Power Supply. Grant PUD shall pay Customer for reactive power that Customer provides or absorbs from the Small Generating Facility when Grant PUD requests or directs Customer to operate its Small Generating Facility outside the range specified in Section 1.8.1.

1.8.3 Customer Compensation. If Grant PUD requests or directs Customer to provide a service pursuant to Section 1.8.2 of this Agreement, Grant PUD shall compensate Customer in accordance with Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. There shall be no compensation if there is no applicable rate schedule then in effect.

1.8.4 Primary Frequency Response. Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization reliability standard providing for

equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. Customer shall notify Grant PUD that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Customer has synchronized the Small Generating Facility with the Transmission System, Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Customer shall: (1) in coordination with Grant PUD and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization reliability standard that provides for equivalent or more stringent parameters. Customer shall be required to provide the status and settings of the governor or equivalent controls to Grant PUD and/or the relevant Balancing Authority upon request. If Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Customer shall immediately notify Grant PUD and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations

outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An approved Electric Reliability Organization Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

- 1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.
- 1.8.4.4 Electric Storage Resources. Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Attachment 7 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 7 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Grant PUD and Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 7 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the

Transmission System and/or receive electricity from the Transmission System. This response excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Additional Requirements

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. Customer shall notify Grant PUD of such activities no fewer than ten Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. Grant PUD may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. Customer shall provide Grant PUD a written test report when such testing and inspection is completed.

2.1.1 Grant PUD shall provide Customer written acknowledgment that it has received Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by Grant PUD of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 Grant PUD shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, Grant PUD shall notify Customer of any changes to these requirements as soon as they are known. Grant PUD shall make Reasonable Efforts to cooperate with Customer in meeting requirements necessary for Customer to commence parallel operations by the estimated in-service date.

2.2.2 Customer shall not operate its Small Generating Facility in parallel with Grant PUD's Transmission System without prior written authorization of Grant PUD. Grant PUD will provide such authorization once Grant PUD receives notification that Customer has complied with all applicable parallel operation requirements.

Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, Grant PUD may send a qualified person to the premises of Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, Customer shall notify Grant PUD at least ten Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Grant PUD shall have access to Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this Section 2.

3. Effective Date, Term, Termination, and Disconnection

- 3.1 **Effective Date.** This Agreement shall become effective upon execution by the Parties. In the event Customer fails to execute this Agreement within 30 Business Days following execution by Grant PUD, this Agreement will be of no force or effect, and neither Customer nor Grant PUD will have any rights or obligations hereunder.
- 3.2 **Term of Agreement.** This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Section 3.3 of this Agreement.
- 3.3 **Termination.** No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.
 - 3.3.1 Customer may terminate this Agreement at any time by giving Grant PUD 20 Business Days written notice.
 - 3.3.2 Either Party may terminate this Agreement after Default pursuant to Section 7.6.
 - 3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from Grant PUD's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA, or such non-terminating Party otherwise is responsible for these costs under this SGIA.
 - 3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

- 3.3.5 The provisions of this section shall survive termination or expiration of this Agreement.
- 3.4 Temporary Disconnection. Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.
- 3.4.1 Emergency Conditions. "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Grant PUD, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Grant PUD's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or Customer's Interconnection Facilities. Under Emergency Conditions, Grant PUD may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. Grant PUD shall notify Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Customer's operation of the Small Generating Facility. Customer shall notify Grant PUD promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Grant PUD's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.
- 3.4.2 Routine Maintenance, Construction, and Repair. Grant PUD may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from Grant PUD's Transmission System when necessary for routine maintenance, construction, and repairs on Grant PUD's Transmission System. Grant PUD shall provide Customer with five Business Days' notice prior to such interruption. Grant PUD shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with Customer.
- 3.4.3 Forced Outages. During any forced outage, Grant PUD may suspend interconnection service to effect immediate repairs on Grant PUD's Transmission System. Grant PUD shall use Reasonable Efforts to provide Customer with prior notice. If prior notice is not given, Grant PUD shall, upon request, provide Customer written documentation after the fact explaining the circumstances of the disconnection.
- 3.4.4 Adverse Operating Effects. Grant PUD shall notify Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to Grant PUD's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to Customer upon request. If, after notice, Customer fails to remedy the adverse operating effect within a reasonable time, Grant PUD may disconnect the Small Generating Facility. Grant

PUD shall provide Customer with five Business Day notice of such disconnection, unless the provisions of Section 3.4.1 apply.

- 3.4.5 Modification of the Small Generating Facility. Customer must receive written authorization from Grant PUD before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If Customer makes such modification without Grant PUD's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.
- 3.4.6 Reconnection. The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and Grant PUD's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities.

- 4.1.1 Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. Grant PUD shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of Customer, such other entities, and Grant PUD.
- 4.1.2 Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing Grant PUD's Interconnection Facilities.

- 4.2 Distribution Upgrades. Grant PUD shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If Grant PUD and Customer agree, Customer may construct Distribution Upgrades that are located on land owned by Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to Customer.

5. Cost Responsibility for Network Upgrades

- 5.1 Applicability. No portion of this Section 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.
- 5.2 Network Upgrades. Grant PUD or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If Grant PUD and Customer agree, Customer may construct Network Upgrades that are located on land owned by Customer. Unless Grant PUD elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by Customer.
 - 5.2.1 Repayment of Amounts Advanced for Network Upgrades. Customer shall be entitled to a repayment, equal to the total amount paid to Grant PUD (if any) without

interest, for the Network Upgrades, as payments are made to Grant PUD for the Non-Usage sensitive portion of payments made for transmission services with respect to the Small Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of the Grant PUD Transmission System. Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, Customer and Grant PUD may adopt any alternative payment schedule that is mutually agreeable so long as Grant PUD takes one of the following actions no later than five years after the Commercial Operation Date: (1) return to Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Grant PUD will continue to provide payments to Customer on a dollar-for-dollar basis for the Non-Usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

5.2.1.2 If the Small Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for the amount paid by Customer for Network Upgrades shall be set to zero and thus be forfeited by Customer 20 years after the Effective Date of this Agreement.

5.3 Special Provisions for Affected Systems. Unless Grant PUD provides, under this Agreement, for the repayment to Customer of amounts advanced by Customer to any applicable Affected System Operators for Network Upgrades, either directly or through Grant PUD, Customer and Affected System Operator shall enter into a separate agreement that provides for such repayment. The agreement between Customer and Affected System Operator shall specify the terms governing payments to be made by Customer to Affected System Operator as well as the repayment by Affected System Operator. Grant PUD shall have no obligation to effectuate an agreement between Customer and Affected System Operator.

5.4 Rights Under Other Agreements. Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain transmission credits for transmission service that is not associated with the Small Generating Facility.

6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 Grant PUD shall bill Customer for the design, engineering, construction, Use of Facilities Charge (UOF) per Attachment 5, procurement, and other applicable costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties. Interest

shall accrue on past due balances until paid in accordance with Grant PUD Customer Service Policy.

- 6.1.2 Within six months of completing the construction and installation of Grant PUD's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, Grant PUD shall provide Customer with a final accounting report of any difference between (1) Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) Customer's previous aggregate payments to Grant PUD for such facilities or Upgrades. If Customer's cost responsibility exceeds its previous aggregate payments, Grant PUD shall invoice Customer for the amount due and Customer shall make payment to Grant PUD within 30 calendar days. If Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Grant PUD shall refund to Customer an amount, without interest, equal to the difference within 30 calendar days of the final accounting report.
- 6.2 **Milestones.** The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. The Parties will use Reasonable Efforts to meet the requirements of the milestones and will cooperate to amend Attachment 4 if necessary to accommodate changes. If a milestone related to payment from Customer to Grant PUD is not met, this may be considered a Default by Grant PUD.
- 6.3 **Financial Security Arrangements.** At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of Grant PUD's Interconnection Facilities and Upgrades, Customer shall provide Grant PUD, at Customer's option, a guarantee, letter of credit or other form of security that is reasonably acceptable to Grant PUD and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of Grant PUD's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Grant PUD under this Agreement during its term. In addition:
 - 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Grant PUD, and contain terms and conditions that guarantee payment of any amount that may be due from Customer, up to an agreed-to maximum amount.
 - 6.3.2 The letter of credit must be issued by a financial institution or insurer reasonably acceptable to Grant PUD and must specify a reasonable expiration date.

7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

- 7.1 **Assignment.** This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:
 - 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that Customer promptly notifies Grant PUD of any such assignment;

- 7.1.2 Customer shall have the right to assign this Agreement, without the consent of Grant PUD, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that Customer will promptly notify Grant PUD of any such assignment.
- 7.1.3 Any attempted assignment that violates this section is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.
- 7.2 Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.
- 7.3 Indemnity
- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Section 7.2.
- 7.3.2 To the extent provided by law, the Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the indemnifying Party's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this section as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this section, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this section, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this section may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages. Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this section, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, epidemic, pandemic, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 Right to Terminate. If a Default is not cured as provided in this section, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the

defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section will survive termination of this Agreement.

- 7.6.3 Violation of Operating Assumptions for Generating Facilities. If Grant PUD requires Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Attachment 7 of this Agreement, Grant PUD may consider Customer to be in Default of this Agreement if Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Customer operates contrary to the operating assumptions for charging behavior specified in Attachment 7 of this Agreement at the direction of Grant PUD, Grant PUD shall not consider Customer in Default of this Agreement.

8. Insurance

- 8.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Customer 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 deductible, self-insured retention or coverage via captive \$25,000 or above must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of Customer and not recoverable under any part of this Agreement.

Customer Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Customer against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:
 - a. Premises and operations;
 - b. Products and completed operations;
 - c. Contractual liability;
 - d. Personal injury liability (with deletion of the exclusion for liability assumed under Agreement);
 - e. Pollution liability (sudden and accidental) (or provided on a standalone basis);

with the following **minimum limits:**

 - \$1,000,000 each occurrence
 - \$1,000,000 personal injury liability
 - \$2,000,000 general aggregate
 - \$2,000,000 products and completed operations aggregate

Commercial general liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation shall apply in favor of Grant PUD.
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**. Customer 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:** 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 combined single-limit of \$1,000,000 per occurrence** and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

4. **If the Interconnection Request is greater than 5MW and no more than 20MW - Umbrella or Excess Liability Insurance:** Excess (or Umbrella) Liability Insurance with a **minimum limit of \$10,000,000 per occurrence and in the aggregate. This limit may be reached in combination with underlying policy limits.** This insurance shall provide coverage in excess of the underlying policy limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Excess/umbrella liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

If the Interconnection Request is greater than 500kW and no more than 5MW, the limit above may be reduced to \$5,000,000.

If the Interconnection Request is 500kW or less, the limit above may be reduced to \$2,000,000.

- 8.2 Evidence of Insurance - Within 10 days following execution of this Agreement, Customer shall file with Grant PUD a certificate of insurance showing the insuring companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an additional insured for each policy where indicated in Section 8.1.

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

Grant PUD shall have the right but not the obligation of prohibiting Customer or a subcontractor from entering the project site or prohibiting Customer from energizing and transmitting power onto Grant PUD's Transmission System until such certificates or other evidence of insurance

has been provided in full compliance with these requirements. If Customer fails to maintain insurance as set forth above, Grant PUD may purchase such insurance at Customer's expense. Customer's failure to maintain the required insurance may result in termination of this Contract at Grant PUD's option.

- 8.3 Subcontractors - Customer shall ensure that each subcontractor maintains insurance as commercially reasonable in accordance with the power generation industry and based on their scope of work. Upon request, Customer shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor.
- 8.4 Cancellation of Insurance - Customer shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Customer shall provide 30 days advance written notice to Grant PUD for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should Customer receive any notice of cancellation or notice of nonrenewal from its insurer(s), Customer shall provide immediate notice to Grant PUD no later than two days following receipt of such notice from the insurer. Notice to Grant PUD shall be delivered by mail or email.

9. Confidentiality

- 9.1 Confidentiality. Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Each Party agrees that it will not disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of this Agreement, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under this Agreement.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 9, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 9.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 9, each Party shall hold in confidence and shall not disclose to any person Confidential Information.
- 9.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 9.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.
- 9.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates, subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Customer, or to potential purchasers or assignees of Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 9 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 9.
- 9.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 9.1.5 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 9.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

- 9.1.7 **Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 9.1.8 **Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 9.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 9.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 9.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 9.1.
- 9.1.9 **Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within 10 Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party. Notwithstanding the foregoing, a receiving Party may retain one copy of Confidential Information to the extent (i) necessary to comply with applicable law or bona fide document retention policies or (ii) backed up on relevant servers or electronic devices, provided that any Confidential Information so retained shall remain subject to the confidentiality obligations hereof.
- 9.1.10 **Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Section 9 to the contrary, and pursuant to 18 C.F.R § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may

respond before such information would be made public, pursuant to 18 C.F.R § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

- 9.1.11 Subject to the exception in Section 9.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

10. Disputes

- 10.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 10.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within 10 Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within 20 Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules")

and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 10, the terms of this Section 10 shall prevail.

- 10.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 90 Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator will also be filed with FERC, if applicable.
- 10.4 **Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

12. Miscellaneous

- 12.1 **Governing Law, Regulatory Authority, and Rules.** The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Washington, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 **Amendment.** The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 12.3 **No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 12.4 **Conflicts.** In the event of a conflict between the body of this Agreement and any attachments, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 12.5 **Waiver**

- 12.5.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 12.5.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Customer shall not constitute a waiver of Customer's legal rights to obtain an interconnection from Grant PUD. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.6 Entire Agreement. This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 12.7 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.
- 12.8 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 12.9 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
- 12.10 Security Arrangements. Customer is expected to follow best practices with respect to electric industry reliability and security and will comply with all Applicable Reliability Standards.
- 12.11 Environmental Releases. Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.
- 12.12 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 12.12.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Grant PUD be liable for the actions or inactions of Customer or its subcontractors with respect to obligations of Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 12.12.2 The obligations under this section will not be limited in any way by any limitation of subcontractor's insurance.

13. Notices

- 13.1 General. Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

Grant PUD	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823	Company Name Attn: Address Address
With a copy to:	With a copy to:
Public Utility District No. 2 of Grant County, Washington Attn: General Counsel PO Box 878 Ephrata, WA 98823	Company Name Attn: Address Address

Billings and Payments. Billings and payments shall be sent to the addresses set out below:

If to Customer for Billing:	If to Grant PUD for Payments:
Company Name Attn: Address Address	Public Utility District No. 2 of Grant County, Washington Attn: RemittanceGroup@gcpud.org PO Box 878 Ephrata, WA 98823

- 13.2 Alternative Forms of Notice. Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to Grant PUD	If to Customer
Transmission Services Manager (509) 754-7691 transmissionservices@gcpud.org General Counsel (509) 754-5088 Legal@gcpud.org	Role Phone No. Email Role Phone No. Email

- 13.3 Designated Operating Representative. The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Customer's Operating Representative:

Company Name
Attn:
Address
Address
Phone
Email

Grant PUD's Operating Representative:

Attn: Sr. Manager of System Operations
(509) 754-5694

- 13.4 Changes to the Notice Information. Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

Public Utility District No. 2
of Grant County, Washington

Full legal name of Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment 1 – Glossary of Terms

When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement. A capitalized term that is not defined in this Agreement shall be defined by the Tariff, the SGIP or NERC, if such definition exists.

Affected System – An electric system other than Grant PUD's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization, the Regional Reliability Organization (currently WECC), and the Balancing Authority Area of the Transmission System to which the Small Generating Facility is directly interconnected.

Balancing Authority - An entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area - 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.

Business Day – The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – Grant PUD's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to Grant PUD's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation or its successor organization.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices,

methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer, Grant PUD, or any Affiliate thereof.

Interconnection Facilities – Grant PUD's Interconnection Facilities and the Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to Grant PUD's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – Customer's request to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with Grant PUD's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to Grant PUD's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with Grant PUD's Transmission System to accommodate the interconnection of the Small Generating Facility with Grant PUD's Transmission System. Network Upgrades do not include Distribution Upgrades.

Non-Usage – Non-Usage refers to charges that do not depend on actual output of energy by the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, *Balancing Authority Area*, or Grant PUD's requirements, including those set forth in the Small Generator Interconnection Agreement.

Point of Interconnection – The point where the Interconnection Facilities connect with Grant PUD's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Customer's Interconnection Facilities.

Tariff – The Grant PUD Open Access Transmission Tariff as approved by the Grant PUD Board of Commissioners, or any agreement executed between Customer and Grant PUD governing transmission

service and interconnection service prior to the Grant PUD Board of Commissioners' approval of an Open Access Transmission Tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission System – The facilities owned, controlled or operated by Grant PUD or the Transmission Owner that are used to provide transmission service.

Upgrades – The required additions and modifications to Grant PUD's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by Customer, Grant PUD, or the Transmission Owner. Grant PUD will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment, including the portion of any such estimated costs to be paid by Customer. Costs for land acquisition, environmental compliance, and cultural compliance will also be estimated to the extent possible.

Attachment 3 – One-Line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4 - Milestones

Estimated In-Service Date: _____

The total estimated cost for the design, procurement, construction, and installation of Grant PUD's Interconnection Facilities is \$ ____*. This amount shall be used by the Customer to provide financial security in accordance with Section 6.3.

* __% of the total estimated cost is Direct Assigned and __% of the total estimated cost is Network Upgrades. Transmission Credits per Section 5.2.1 will be based on final actual costs for Network Upgrades based on the percentage of costs assigned to Network Upgrades.

As of the Effective Date of this Agreement, Customer intends to have _____ serve as their Balancing Authority (BA).

The following table is an example only and will vary by project.

Milestone No.	Description	Estimated Timeline
1	Customer executes the Interconnection Agreement w/ 20% deposit	Start
2	Long lead item procurement	12 Months after Start
3	Engineering Design starts	3 Months prior to Milestone #2 completion
4	Customer supplies financial security per Section 6.3	20 Days prior to Milestone #3 completion
5	Engineering complete	3 Months after Milestone #2 completion
6	Material acquisition start	1 Week after Milestone #5 completion
7	Grant PUD commences construction of Grant PUD's Interconnection Facilities.	Target Date DD/MM/YY
8	Grant PUD completes construction (including commissioning activity) of Grant PUD's Interconnection Facilities.	Target Date DD/MM/YY
9	In-Service Date	Upon completion of all previous Milestones

Attachment 5 - Interconnection Details**1. Description of Generating Facility****2. Use of Facilities Charge (UOF)**

Grant PUD will develop a UOF that applies to the Grant PUD facilities that are solely dedicated to serving the Generating Facility. This UOF will be included in this Attachment 5. Grant PUD may update the UOF at any time after 60 days' notice provided to Customer.

Grant PUD will invoice Customer monthly for the UOF.

3. Service Provided to Customer when Generating Facility is Offline

Customer shall make all appropriate arrangements to take delivery of any power required for the Generating Facility that is not self-provided. Any power that flows to Customer at the Point of Interconnection for auxiliary loads shall be accounted for under a separate retail service arrangement between Grant PUD and Customer. No power flowing to Customer at the Point of Interconnection may be netted against power flowing to Grant PUD at any time other than that of the delivery to the Customer. At Grant's discretion and for practical reasons, Grant may choose to allow Customer to net retail sales against Customer's power production. Power supplied to a storage device will be provided according to the terms of the applicable Grant PUD business practice and applicable rate schedules.

4. Station Service

Station service will be obtained by Customer separate from this Agreement and when provided by Grant PUD will be governed by Grant PUD customer service policies for retail service.

5. Requirements that must be met by Customer prior to initiating parallel operation with Grant PUD's Transmission System**6. Control Technologies and Protection Systems****7. Metering Requirements**

Attachment 6 – Grant PUD's Description of its Upgrades and Best Estimate of Upgrade Costs

Grant PUD shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades, including Customer's share of such estimated costs. Grant PUD shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Attachment 7 - Generating Facility Data and Performance Requirements

{Section 1.1 below only applies to a solar generation plant and will be modified for other types of generation as appropriate}

1. Variable Energy Resource and forced usage data per Section 1.6

1.1 **Real Time Data:** If requested by Grant PUD, Customer will supply the following Real Time Data to Grant PUD. This list of data will be updated as needed per Section 8.4.

- Solar irradiance in the front-side plane-of-array (POA) (W/m²)
- Solar irradiance in the back-side plane-of-array (POA) (W/m²)
- Solar irradiance in the horizontal plane (GHI) (W/m²)
- Wind speed (m/s) and direction (°)
- Ambient air temperature (°C)
- Back of Module temperature (°C)
- Precipitation (mm)
- Barometric Pressure (hPa)
- Relative Humidity (%)
- For cold climates or as required by Owner, snow depth sensor (cm)
- Diffuse Horizontal Irradiance (DHI) (W/m²)
- Albedometer (%)
- Plant DC generation (MW)
- Plant AC generation (MW and MVar)
- Plant online status (indicating if plant is online)
- State of charge of energy storage (percentage)

1.2 **Generation Forecast:** If Requested by Grant PUD, Customer will supply Grant PUD with a forecast of generation, including the charging and discharging of storage resources for the Generating Facility with an hourly time stamp for the proceeding 168 hours. This forecast will be updated on an hourly basis.

1.3 **Forced Outage Data:** Customer will supply data to Grant PUD with Customer's best estimate for forced outages as requested by Grant PUD for the Generation Facility. This data will be updated no more than annually if requested by Grant PUD.

1.4 **Planned Outage Data:** Customer will supply data to Grant PUD with Customer's best estimate for planned outages as requested by Grant PUD for the Generation Facility on an annual basis. This data will be updated and supplied to Grant PUD when there are changes to the most recent annual submittal.

2. Operating requirements per Section 1.6. Additional requirements may be specified in the Agreement.

2.1 All NERC Reliability Standards, requirements and guidelines that apply to Customer based on Customer's functional entity registrations and facilities.

2.2 Applicable Grant PUD documents and standards

- Switching and Clearance Procedures
- System Restoration Plan
- Grant PUD Interconnection Technical Requirements
- Any additional outage request timelines as implemented by Grant PUD

2.3 NERC standards and associated guidelines governing IBRs

2.4 Emergency Condition procedures of the applicable Reliability Coordinator, ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any other applicable authority.

3. Other Data to be Supplied by Customer per Section 1.6

Operational and design data regarding the Generating Facility that Grant PUD is required to provide to FERC, NERC, WECC, or other governing authorities.

4. Battery storage operating range to allow for frequency response per Section 1.8.4.4

Minimum state of charge: xx%

Maximum state of charge: xx%

<Additional information per Section 1.8.4.4>

ATTACHMENT P - Tariff Revision History

Revision	Date	Description
1	XX/XX/2026	Initial version of tariff

RESOLUTION NO. 9119

A RESOLUTION AMENDING RATE SCHEDULE NO. 32, WHOLESALE POINT-TO-POINT
TRANSMISSION SERVICE, AND RATE SCHEDULE NO. 33, WHOLESALE ANCILLARY
SERVICES

R e c i t a l s

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. Rate Schedule Nos. 32 and 33 were adopted on January 25, 2022, pursuant to Resolution 8983;
3. Effective April 21, 2026, Rate Schedule No. 32 will be amended to reflect Open Access Transmission Tariff (OATT) language and terms, distinguish between firm and non-firm service, further break out rates into additional service intervals, and establish a new Unreserved Use Charge;
4. Effective April 21, 2026, Rate Schedule No. 33 will be amended to revise the title from Ancillary Services to Wholesale Ancillary Services, incorporate language and terms consistent with the OATT, add definitions, replaced Operating Reserves with separate Spinning and Supplemental categories, and include placeholders for future integration rates for additional technologies; and
5. Grant PUD's executive leadership and Transmission Strategy and Development staff have reviewed the amended Rate Schedule Nos. 32 and 33 attached hereto and recommend that they be adopted.

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

Section 1: The attached amended Rate Schedule Nos. 32 and 33 are hereby approved and adopted and shall be effective April 21, 2026.

Section 2: Resolution 8983 is hereby superseded as it relates to Rate Schedule Nos. 32 and 33.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of April, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

March 12, 2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Senior Vice President Power and Market Operations ^{JG}_{JG} Mar 12, 2026
Rich Flanigan, Vice President Energy Supply & Markets ^{RF}_{RF} Mar 12, 2026
Susan Manville, Director Transmission Strategy & Development SM_{SM} Mar 12, 2026

FROM: Christopher Buchmann, Senior Manager Transmission Business Services ^{CB}_{CB} Mar 12, 2026

SUBJECT: Adoption of Amended Rate Schedule 32, Wholesale Point-to-Point Transmission Service, and Rate Schedule 33, Wholesale Ancillary Services, superseding Resolution 8983

Purpose: Hold a public hearing March 24, 2026, to address community questions regarding amended Rate Schedules 32 and 33, followed by seeking Commission approval to adopt the amended Rate Schedules 32 and 33, with implementation and public release on April 21, 2026, superseding Resolution 8983.

Discussion: The proposed revisions to Rate Schedule 32 reflect Open Access Transmission Tariff (OATT) language and terms, distinguish between firm and non-firm service, break out rates into additional service intervals (yearly, monthly, weekly, daily, hourly deliveries), and establish a new unreserved use charge.

The proposed revisions to Rate Schedule 33 revise the title from Ancillary Services to Wholesale Ancillary Services, incorporate language and terms consistent with the OATT, add definitions, replace Operating Reserves with separate Spinning and Supplemental categories, and include place holders for future rates for additional technologies.

Justification: To ensure consistency with the terminology and transmission service terms outlined in Grant PUD's proposed OATT.

Recommendation: Adoption of amended Rate Schedule 32, Wholesale Point-to-Point Transmission Service, and Rate Schedule 33, Wholesale Ancillary Services, with implementation and public release on April 21, 2026, superseding Resolution 8983.

Legal Review: See attached email(s).

Signature: *Christopher Buchmann*

Email: cbuchmann@gcpud.org

Signature: *Susan Manville*

Email: smanville@gcpud.org

Signature: *Rich Flanigan*

Email: rflanig@gcpud.org

Signature: *Jeffrey Grizzel*

Jeffrey Grizzel (Mar 12, 2026 15:12:06 PDT)

Email: jgrizzel@gcpud.org

RATE SCHEDULE NO. 32
Wholesale Point-to-Point Transmission Service

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers who have an agreement with Grant PUD for Point-to-Point (PTP) Transmission Service.

Effective: For service beginning **April 21, 2026**.

Services Received: Grant PUD will receive power from customer at a Grant PUD Point of Receipt (POR) and deliver the power to customer at a Grant PUD Point of Delivery (POD).

Billing Rates:

A. Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

Yearly Delivery	\$30.06/kW-year
Monthly Delivery	\$2.51/kW-month
Weekly Delivery	\$0.58/kW-week
Daily Delivery	\$0.08/kW-day

The total demand charge in any week, pursuant to a reservation for Daily Delivery, shall not exceed the rate specified for Weekly Delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week.

B. Non-Firm Point-To-Point Transmission Service

Monthly Delivery	\$2.51/kW-month
Weekly Delivery	\$0.58/kW-week
Daily Delivery	\$0.08/kW-day
Hourly Delivery	\$0.00343/kWh

The total demand charge in any week, pursuant to a reservation for Daily Delivery, shall not exceed the rate specified for Weekly Delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week.

C. Unreserved Use Charge:

Unreserved Use	\$0.16/kWh

Ancillary Services: The applicable Ancillary Services will be specified in the customer's agreement for PTP Service. The rates for Ancillary Services are as specified in the Grant PUD Rate Schedule 33 for Wholesale Ancillary Services.

Real Power Losses: Losses will be billed per the terms of Financial Loss Recovery in the Grant PUD Rate Schedule 33 for Wholesale Ancillary Services.

Service: Service under this Schedule is subject to the terms and conditions in Grant PUD's Customer Service Policies and Transmission Business Practices, which may be amended from time to time by Grant PUD.

Tax Adjustment: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

Definitions:

Ancillary Services: Those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

Point of Delivery: The location where Grant PUD delivers power and energy to customer.

Point of Receipt: The location where Grant PUD receives power and energy from customer.

Unreserved Use: The use of transmission service at a POR or POD for which the customer does not have a reservation.

RATE SCHEDULE NO. 32
Wholesale Point-to-Point Transmission Service

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers who have an agreement with Grant PUD for Point-to-Point (PTP) Transmission Service.

Effective: For service beginning April 21, 2026.

Services Received: Grant PUD will receive power from customer at a Grant PUD Point of Receipt (POR) and deliver the power to customer at a Grant PUD Point of Delivery (POD).

Billing Rates:

A. Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

- 1) Yearly Delivery: \$30.06/kW-year
- 2) Monthly Delivery: \$2.51/kW-month
- 3) Weekly Delivery: \$0.58/kW-week
- 4) Daily Delivery: \$0.08/kW-day

The total demand charge in any week, pursuant to a reservation for Daily Delivery, shall not exceed the rate specified for Weekly Delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week.

B. Non-Firm Point-To-Point Transmission Service

- 1) Monthly Delivery: \$2.51/kW-month
- 2) Weekly Delivery: \$0.58/kW-week
- 3) Daily Delivery: \$0.08/kW-day

The total demand charge in any week, pursuant to a reservation for Daily Delivery, shall not exceed the rate specified for Weekly Delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) Hourly Delivery: \$0.00343/kWh

C. Unreserved Use Charge:

Rate: \$0.16/kWh

Ancillary Services: The applicable Ancillary Services will be specified in the customer's agreement for PTP Service. The rates for Ancillary Services are as specified in the Grant PUD Rate Schedule 33 for Wholesale Ancillary Services.

Real Power Losses: Losses will be billed per the terms of Financial Loss Recovery in the Grant PUD Rate Schedule 33 for Wholesale Ancillary Services.

Service: Service under this Schedule is subject to the terms and conditions in Grant PUD's Customer Service Policies and Transmission Business Practices, which may be amended from time to time by Grant PUD.

Tax Adjustment: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

Definitions:

Ancillary Services: Those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

Point of Delivery: The location where Grant PUD delivers power and energy to customer.

Point of Receipt: The location where Grant PUD receives power and energy from customer.

Unreserved Use: The use of transmission service at a POR or POD for which the customer does not have a reservation.

RATE SCHEDULE NO. 33
Wholesale Ancillary Services

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers taking service under Rate Schedules for Wholesale Service that specify charges for Ancillary Services.

Effective: For service beginning April 21, 2026

Services Received: Ancillary Services as necessary to take transmission or wheeling service under Rate Schedule Nos. 30, 32, 34 and other rate schedules as specified or as may be further specified in a customer's contract for service with Grant PUD.

Definitions

Ancillary Services: Those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

Hourly Pricing Proxy: The Powerdex Hourly Index for Mid-Columbia. If data for any hour is not available, data from the same hour on the previous day shall be used. Should the Powerdex Hourly Index for Mid-Columbia become no longer generally available or if a similar index is deemed to be superior, Grant PUD will determine a reasonable replacement definition for the Hourly Pricing Proxy and shall specify such replacement definition in a revision to this rate schedule.

- 1. Scheduling, System Control and Dispatch Service:** This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area.

Rate: Grant PUD does not currently have a separate rate for Scheduling, System Control and Dispatch Service. However, Grant PUD reserves the right to modify its rate schedules and to introduce a separate rate.

- 2. Reactive Supply and Voltage Control from Generation and Other Sources Service:** To maintain transmission voltages on transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the balancing authority operator are operated to produce (or absorb) reactive power.

Rate: Grant PUD does not currently have a separate rate for Reactive Supply and Voltage Control from Generation and other Sources. However, Grant PUD reserves the right to modify its rate schedules and to introduce a separate rate.

- 3. Regulation and Frequency Response for Service to Loads:** Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

Rate: **\$0.00020/kWh**

- 4. Energy Imbalance Service for Loads:** Energy Imbalance Service is provided when a difference (“deviation”) occurs between the scheduled and the actual delivery of energy to a load located within a balancing authority over a single hour.

Rate: If a customer has an existing contract that specifies the use of energy deviation accounting for purposes for energy imbalance, the existing contract will govern charges for energy imbalance. All other customers that require Energy Imbalance Service for loads will be subject to the following.

Energy Imbalance Service for Loads will be settled financially.

- A. Imbalances within Deviation Band 1: Deviation Band 1 applies to the portion of an hourly imbalance deviation less than or equal to $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value.

- 1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 100% of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 100% of the Hourly Pricing Proxy.

- 2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than load (negative deviation), the credit is 100% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 100% of the absolute value of the Hourly Pricing Proxy.

- B. Imbalances within Deviation Band 2: Deviation Band 2 applies to the portion of an hourly imbalance deviation greater than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 5 MW, whichever is larger in absolute value.

- 1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 110% of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 90% of the Hourly Pricing Proxy.

- 2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the credit is 90% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 110% of the absolute value of the Hourly Pricing Proxy.

- C. Imbalances within Deviation Band 3: Deviation Band 3 applies to the portion of an hourly imbalance deviation greater than $\pm 7.5\%$ of the scheduled amount of energy or greater than ± 5 MW of the scheduled amount of energy, whichever is larger in absolute value.

1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 125% of the Hourly Pricing Proxy, or \$100/MWh, whichever is greater.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 75% of the Hourly Pricing Proxy.

2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the credit is 75% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 125% of the absolute value of the Hourly Pricing Proxy.

- D. Use of the Hourly Pricing Proxy: For purposes of financially settling energy imbalances in any of the deviation bands, the Hourly Pricing Proxy defined herein will be used subject to the following: For any hour during which Grant's Priest Rapids Project (PRP), consisting of Wanapum and Priest Rapids Dams, is in a Forced Spill Condition, no credit be given for a positive deviation.

- E. Forced Spill Condition: For purposes of Energy Imbalance Service, a "Forced Spill Condition" exists when spill physically occurs on the PRP, typically but not solely during periods of high flows or upstream flood control implementation. Discretionary spill, where Grant PUD may choose whether to spill, does not constitute a Forced Spill Condition. Spill solely for fish is included in discretionary spill and is not a Forced Spill Condition. Documentation for a Forced Spill Condition shall be provided to customer by Grant PUD upon request.

- 5. Operating Reserves – Spinning Reserve Service:** Operating Spinning Reserves Service is required to meet Grant PUD's BAL-002 obligations in the balancing authority area in the event of a system contingency.

Rate: **\$0.00021/kWh** of load in the Grant PUD balancing authority, plus
 \$0.00021/kWh of generation in the Grant PUD balancing authority

- 6. Operating Reserves – Supplemental Reserve Service:** Operating Supplemental Reserves Service is required to meet Grant PUD's BAL-002 obligations in the balancing authority area in the event of a system contingency.

Rate: **\$0.00021/kWh** of load in the Grant PUD balancing authority, plus
 \$0.00021/kWh of generation in the Grant PUD balancing authority

- 7. Generator Imbalance Service:** Generator Imbalance Service is provided when a difference (deviation) occurs between the scheduled and actual delivery of energy from a generator located in a balancing authority area. If the Hourly Pricing Proxy is zero for the hour, there will be no charge or credit.

Generator Imbalance Service will be settled financially.

Rate: If a customer has an existing contract that specifies the use of energy deviation accounting for purposes for generator imbalance, the existing contract will govern charges for generator imbalance. All other customers that require Generator Imbalance Service will be subject to the following.

- A. Imbalances within Deviation Band 1: Deviation Band 1 applies to the portion of an hourly imbalance deviation less than or equal to $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value.
- 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 100% of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 100% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 100% of the absolute value of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 100% of the absolute value of the Hourly Pricing Proxy.
- B. Imbalances within Deviation Band 2: Deviation Band 2 applies to the portion of an hourly imbalance deviation greater than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 5 MW, whichever is larger in absolute value.
- 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 110% of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 90% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 90% of the absolute value of the Hourly Pricing Proxy.

- b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 110% of the absolute value of the Hourly Pricing Proxy.
- C. Imbalances within Deviation Band 3: Deviation Band 3 applies to the portion of an hourly imbalance deviation greater than $\pm 7.5\%$ of the scheduled amount of energy or greater than ± 5 MW of the scheduled amount of energy, whichever is larger in absolute value.
 - 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 125% of the Hourly Pricing Proxy, or \$100/MWh, whichever is greater.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 75% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 75% of the absolute value of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 125% of the absolute value of the Hourly Pricing Proxy.
- D. Use of the Hourly Pricing Proxy: For purposes of financially settling energy imbalances in any of the deviation bands, the Hourly Pricing Proxy defined herein will be used subject to the following: For any hour during which Grant PUD's Priest Rapids Project (PRP), consisting of Wanapum and Priest Rapids Dams, is in a Forced Spill Condition, no credit shall be given for a positive deviation.
- E. Forced Spill Condition: For purposes of Generator Imbalance Service, a "Forced Spill Condition" exists when spill physically occurs on the PRP, typically but not solely during periods of high flows or upstream flood control implementation. Discretionary spill, where Grant PUD may choose whether to spill, does not constitute a Forced Spill Condition. Spill solely for fish is included in discretionary spill and is not a Forced Spill Condition. Documentation for a Forced Spill Condition shall be provided to customer by Grant PUD upon request.

8. Real Power Losses: Real power losses are associated with all transmission service.

Loss factors: If loss factors are not specified in the customer's contract, the following loss factors will apply for the replacement of losses associated with energy schedules, Financial Loss Recovery, and for purposes of demand billing. Demand Losses only apply when specified in a customer's contract.

Delivery Voltage	Energy Losses	Demand Losses
115/230 kV	1.3%	1.4%
13.2 kV	3.2%	3.5%
Below 13.2 kV	6.7%	7.1%

Financial Energy Losses Recovery: Losses will be computed using the Energy loss factor for the appropriate voltage of delivery. Based on the actual transmission service provided, the amount of MWh for each hour will be multiplied by the loss factor and the Hourly Pricing Proxy.

$$\text{Loss cost for hour} = \text{MWh of Service for hour} \times \text{loss factor} \times \text{Hourly Pricing Proxy}$$

9. **Generation and Storage Balancing Service:** Generation and Storage Balancing Service is provided when a difference occurs between the instantaneous output or consumption of generation or storage facility differs from the scheduled output or consumption. The energy associated with the difference is covered by Generator Imbalance Service or Energy Imbalance Service for loads, as applicable.

Operating Reserves are covered by Operating Reserves – Spinning Reserve Service and Operating Reserves – Supplemental Reserve Service. Schedule may be hourly or intra-hourly, at Grant PUD's discretion. Grant PUD will determine which rate below applies to a particular facility.

Rates for Generation and Storage Balancing Service are subject to change, including the creation of additional rates, for reasons including but not limited to:

The need for Grant PUD to buy additional shaping or regulation capacity.

- Differences in the operation of an applicable facility based on the use of storage and other configuration/operational factors.

9a - Solar Resources Rate: \$1.25/kW billed monthly multiplied by the reserved transmission contract demand.

9b - Wind Resources Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for a wind generation facility.

9c - Energy Storage Resource Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for an energy storage facility.

9d - Dispatchable Generation Resource Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for a dispatchable generation resource.

RATE SCHEDULE NO. 33
Wholesale Ancillary Services

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers taking service under Rate Schedules for Wholesale Service that specify charges for Ancillary Services.

Effective: For service beginning April 21, 2026.

Services Received: Ancillary Services as necessary to take transmission or wheeling service under Rate Schedule Nos. 30, 32, 34 and other rate schedules as specified or as may be further specified in a customer's contract for service with Grant PUD.

Definitions:

Ancillary Services: Those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

Hourly Pricing Proxy: The Powerdex Hourly Index for Mid-Columbia. If data for any hour is not available, data from the same hour on the previous day shall be used. Should the Powerdex Hourly Index for Mid-Columbia become no longer generally available or if a similar index is deemed to be superior, Grant PUD will determine a reasonable replacement definition for the Hourly Pricing Proxy and shall specify such replacement definition in a revision to this rate schedule.

- 1. Scheduling, System Control and Dispatch Service:** This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area.

Rate: Grant PUD does not currently have a separate rate for Scheduling, System Control and Dispatch Service. However, Grant PUD reserves the right to modify its rate schedules and to introduce a separate rate.

- 2. Reactive Supply and Voltage Control from Generation and Other Sources Service:** To maintain transmission voltages on transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the balancing authority operator are operated to produce (or absorb) reactive power.

Rate: Grant PUD does not currently have a separate rate for Reactive Supply and Voltage Control from Generation and other Sources. However, Grant PUD reserves the right to modify its rate schedules and to introduce a separate rate.

- 3. Regulation and Frequency Response for Service to Loads:** Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

Rate: **\$0.00020/kWh**

- 4. Energy Imbalance Service for Loads:** Energy Imbalance Service is provided when a difference (“deviation”) occurs between the scheduled and the actual delivery of energy to a load located within a balancing authority over a single hour.

Rate: If a customer has an existing contract that specifies the use of energy deviation accounting for purposes for energy imbalance, the existing contract will govern charges for energy imbalance. All other customers that require Energy Imbalance Service for loads will be subject to the following.

Energy Imbalance Service for Loads will be settled financially.

- A. Imbalances within Deviation Band 1: Deviation Band 1 applies to the portion of an hourly imbalance deviation less than or equal to $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value.

- 1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 100% of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 100% of the Hourly Pricing Proxy.

- 2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than load (negative deviation), the credit is 100% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 100% of the absolute value of the Hourly Pricing Proxy.

- B. Imbalances within Deviation Band 2: Deviation Band 2 applies to the portion of an hourly imbalance deviation greater than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 5 MW, whichever is larger in absolute value.

- 1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 110% of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 90% of the Hourly Pricing Proxy.

- 2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the credit is 90% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 110% of the absolute value of the Hourly Pricing Proxy.

- C. Imbalances within Deviation Band 3: Deviation Band 3 applies to the portion of an hourly imbalance deviation greater than $\pm 7.5\%$ of the scheduled amount of energy or greater than ± 5 MW of the scheduled amount of energy, whichever is larger in absolute value.

1) For hours when the Hourly Pricing Proxy is a positive value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the charge is 125% of the Hourly Pricing Proxy, or \$100/MWh, whichever is greater.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the credit is 75% of the Hourly Pricing Proxy.

2) For hours when the Hourly Pricing Proxy is a negative value

- a) When energy scheduled by the customer during an hour is less than the load (negative deviation), the credit is 75% of the absolute value of the Hourly Pricing Proxy.
- b) When energy scheduled by the customer during an hour is greater than the load (positive deviation), the charge is 125% of the absolute value of the Hourly Pricing Proxy.

- D. Use of the Hourly Pricing Proxy: For purposes of financially settling energy imbalances in any of the deviation bands, the Hourly Pricing Proxy defined herein will be used subject to the following: For any hour during which Grant's Priest Rapids Project (PRP), consisting of Wanapum and Priest Rapids Dams, is in a Forced Spill Condition, no credit be given for a positive deviation.

- E. Forced Spill Condition: For purposes of Energy Imbalance Service, a "Forced Spill Condition" exists when spill physically occurs on the PRP, typically but not solely during periods of high flows or upstream flood control implementation. Discretionary spill, where Grant PUD may choose whether to spill, does not constitute a Forced Spill Condition. Spill solely for fish is included in discretionary spill and is not a Forced Spill Condition. Documentation for a Forced Spill Condition shall be provided to customer by Grant PUD upon request.

- 5. Operating Reserves – Spinning Reserve Service:** Operating Spinning Reserves Service is required to meet Grant PUD's BAL-002 obligations in the balancing authority area in the event of a system contingency.

Rate: **\$0.00021/kWh** of load in the Grant PUD balancing authority, plus
 \$0.00021/kWh of generation in the Grant PUD balancing authority

- 6. Operating Reserves – Supplemental Reserve Service:** Operating Supplemental Reserves Service is required to meet Grant PUD's BAL-002 obligations in the balancing authority area in the event of a system contingency.

Rate: **\$0.00021/kWh** of load in the Grant PUD balancing authority, plus
 \$0.00021/kWh of generation in the Grant PUD balancing authority

- 7. Generator Imbalance Service:** Generator Imbalance Service is provided when a difference (deviation) occurs between the scheduled and actual delivery of energy from a generator located in a balancing authority area. If the Hourly Pricing Proxy is zero for the hour, there will be no charge or credit.

Generator Imbalance Service will be settled financially.

Rate: If a customer has an existing contract that specifies the use of energy deviation accounting for purposes for generator imbalance, the existing contract will govern charges for generator imbalance. All other customers that require Generator Imbalance Service will be subject to the following.

- A. Imbalances within Deviation Band 1: Deviation Band 1 applies to the portion of an hourly imbalance deviation less than or equal to $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value.
- 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 100% of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 100% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 100% of the absolute value of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 100% of the absolute value of the Hourly Pricing Proxy.
- B. Imbalances within Deviation Band 2: Deviation Band 2 applies to the portion of an hourly imbalance deviation greater than $\pm 1.5\%$ of the scheduled amount of energy or ± 2 MW, whichever is larger in absolute value, up to and including $\pm 7.5\%$ of the scheduled amount of energy or ± 5 MW, whichever is larger in absolute value.
- 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 110% of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 90% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 90% of the absolute value of the Hourly Pricing Proxy.

- b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 110% of the absolute value of the Hourly Pricing Proxy.
 - C. Imbalances within Deviation Band 3: Deviation Band 3 applies to the portion of an hourly imbalance deviation greater than $\pm 7.5\%$ of the scheduled amount of energy or greater than ± 5 MW of the scheduled amount of energy, whichever is larger in absolute value.
 - 1) For hours when the Hourly Pricing Proxy is a positive value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the charge is 125% of the Hourly Pricing Proxy, or \$100/MWh, whichever is greater.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the credit is 75% of the Hourly Pricing Proxy.
 - 2) For hours when the Hourly Pricing Proxy is a negative value
 - a) When energy generated by the customer during an hour is less than the energy scheduled (negative deviation), the credit is 75% of the absolute value of the Hourly Pricing Proxy.
 - b) When energy generated by the customer during an hour is greater than the energy scheduled (positive deviation), the charge is 125% of the absolute value of the Hourly Pricing Proxy.
 - D. Use of the Hourly Pricing Proxy: For purposes of financially settling energy imbalances in any of the deviation bands, the Hourly Pricing Proxy defined herein will be used subject to the following: For any hour during which Grant PUD's Priest Rapids Project (PRP), consisting of Wanapum and Priest Rapids Dams, is in a Forced Spill Condition, no credit shall be given for a positive deviation.
 - E. Forced Spill Condition: For purposes of Generator Imbalance Service, a "Forced Spill Condition" exists when spill physically occurs on the PRP, typically but not solely during periods of high flows or upstream flood control implementation. Discretionary spill, where Grant PUD may choose whether to spill, does not constitute a Forced Spill Condition. Spill solely for fish is included in discretionary spill and is not a Forced Spill Condition. Documentation for a Forced Spill Condition shall be provided to customer by Grant PUD upon request.
- 8. Real Power Losses:** Real power losses are associated with all transmission service.

Loss factors: If loss factors are not specified in the customer's contract, the following loss factors will apply for the replacement of losses associated with energy schedules, Financial Loss Recovery, and for purposes of demand billing. Demand Losses only apply when specified in a customer's contract.

Delivery Voltage	Energy Losses	Demand Losses
115/230 kV	1.3%	1.4%
13.2 kV	3.2%	3.5%
Below 13.2 kV	6.7%	7.1%

Financial Energy Losses Recovery: Losses will be computed using the Energy loss factor for the appropriate voltage of delivery. Based on the actual transmission service provided, the amount of MWh for each hour will be multiplied by the loss factor and the Hourly Pricing Proxy.

$$\text{Loss cost for hour} = \text{MWh of Service for hour} \times \text{loss factor} \times \text{Hourly Pricing Proxy}$$

9. **Generation and Storage Balancing Service:** Generation and Storage Balancing Service is provided when a difference occurs between the instantaneous output or consumption of generation or storage facility differs from the scheduled output or consumption. The energy associated with the difference is covered by Generator Imbalance Service or Energy Imbalance Service for loads, as applicable.

Operating Reserves are covered by Operating Reserves – Spinning Reserve Service and Operating Reserves – Supplemental Reserve Service. Schedule may be hourly or intra-hourly, at Grant PUD's discretion. Grant PUD will determine which rate below applies to a particular facility.

Rates for Generation and Storage Balancing Service are subject to change, including the creation of additional rates, for reasons including but not limited to:

The need for Grant PUD to buy additional shaping or regulation capacity.

- Differences in the operation of an applicable facility based on the use of storage and other configuration/operational factors.

9a - Solar Resources Rate: \$1.25/kW billed monthly multiplied by the reserved transmission contract demand.

9b - Wind Resources Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for a wind generation facility.

9c - Energy Storage Resource Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for an energy storage facility.

9d - Dispatchable Generation Resource Rate: Grant PUD does not currently have a rate for Generation and Storage Balancing Service for a dispatchable generation resource.

RESOLUTION NO. 9120

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-12856HR, FOR
CONSTRUCTION OF QUINCY TRANSMISSION EXPANSION PLAN (QTEP) MOUNTAIN VIEW
EXPANSION - REBID

Recitals

1. Bids were publicly opened on March 19, 2026 for Contract 130-12856HR, for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
 - Michel's Pacific Energy: \$16,564,213.34
 - Ward Electric: \$18,186,417.23
 - Palouse Power: \$20,471,000.00
 - Potelco, Inc.: \$22,537,156.00
3. The low bid, submitted by Michel's Pacific Energy, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$36,525,600.00; and
5. Grant PUD's Senior Manager of EPMO and Vice President of Business Advancement and Strategy concur with staff and recommend award to Michel's Pacific Energy as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 130-12856HR, for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid with Michel's Pacific Energy, Inc. of Tumwater, Washington in the amount of \$16,564,213.34 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of April, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM**April 1st, 2026****TO:** John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Sr VP of Power & Market Ops ^{DS} JG
 Julie Pyper, VP of Business Advancement & Strategy ^{Initial} JEP
 Aaron Kuntz, Sr Manager EPMO ^{Initial} AK
 Travis Wiser, Manager EPMO Power Delivery ^{DS} TW
 Jason Stordahl, Project Management Supervisor of EPMO Power Delivery ^{Initial} JS

FROM: Austin Blythe-Clark, Project Manager/District Representative**SUBJECT:** Award of Contract 130-12856HR for Construction of Mountain View Expansion (QTEP).

Purpose: To request Commission approval to award labor Contract 130-12856HR to Michels Pacific Energy, Inc. in the amount of \$16,564,213.34 for Construction associated with the Mountain View Expansion (QTEP).

Discussion: The Mountain View Expansion is a key enabling project within the Quincy Transmission Expansion Plan (QTEP), which expands transmission capacity and resiliency to support growth in the Quincy area by increasing available transmission from approximately 300 MW to approximately 650 MW, adding redundant transmission paths, and enabling maintenance without extended customer outages. This phase requires resources beyond what Grant PUD can legally self-perform, so a competitively-bid construction labor contract is required to maintain the project schedule and reduce the risk of service constraints if the upgrade is delayed. This Contract covers the labor scope for this specific work package; additional contracts will be required for other segments of QTEP, in addition to the supply and engineering contracts previously approved by the Commission. Bids for this labor package were opened on March 19, 2026, with Commission action scheduled for April 28, 2026, to support a May 19, 2026, Notice to Proceed.

The macroscope of the initiative includes all civil, structural, electrical and foundational work required to prepare the site; installation of conduits, duct banks, grounding grids, and structural steel; construction of control buildings or equipment pads; and coordination of subcontracted trades. It also includes adherence to safety standards, environmental requirements, permitting, schedule management, and integration with utility infrastructure.

Justification: Michels Pacific Energy, Inc. is recommended as the lowest responsible bidder from a competitive solicitation. Proceeding now supports the planned in-service timeline and helps avoid (a) deferred capacity and reliability improvements, (b) higher future costs due to market escalation and remobilization, and (c) schedule risk from losing the current construction window.

Financial Considerations: The recommended award amount is \$16,564,213.34. Four bids were received; Michels has the lowest bid and is approximately \$1.62M (about 9%) below the next highest bidder. This work package was rebid due to concerns over the original project schedule. The engineer's estimate is \$36,525,600.00; staff will reconcile the variance post-bid and incorporate results into project controls. Funding is planned under PID 103609 (CCT07 Purchased Services), with spend forecasted across 2026–2027 as shown below.

Detailed bid amounts and estimate background are provided below for transparency; the Commission decision is based on the recommended award amount, schedule need, and the competitive outcome.

Engineer's estimate: \$36,525,600.00

Bids received:

○ Michels Pacific Energy:	\$16,564,213.34
○ Ward Electric:	\$18,186,417.23
○ Palouse Power:	\$20,471,000.00
○ Potelco:	\$22,537,156.00

Staff will review the variance between the submitted bids and the engineer's estimate and document findings for project controls.

PID: 103609

Cost type: CCT07 Purchased Services

Forecast 2026: \$5,521,404.44

Forecast 2027: \$11,042,808.90

Total Cost: \$16,564,213.34

Contract Specifics: Contract term supports construction from May 19, 2026, through November 24, 2027, aligned to the project schedule and commissioning needs.

Recommendation: Approve award of labor Contract 130-12856HR to Michels Pacific Energy, Inc. in the amount of \$16,564,213.34 to support execution of the Mountain View Expansion (QTEP), with Notice to Proceed on May 19, 2026, and targeted completion by November 24, 2027.

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

Contract Documents 130-12856HR

Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View
Expansion - Rebid

for

Public Utility District No. 2
of Grant County, Washington

Bid Opening Date: March 19, 2026

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INSTRUCTIONS TO BIDDERS

1. SUBMISSION OF BID

Sealed Bids shall be received by Public Utility District No. 2 of Grant County, Washington at the District's contracting offices at 154 A Street SE Building E, Ephrata, Washington no later than 2:00 p.m. on March 18, 2026 for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid as specified in Contract Documents 130-12856HR. Bids received after that time shall be rejected as non-responsive. **Bid opening shall follow the Bid submittal deadline via Microsoft Teams video conference. The video conference will be the only manner by which the public can participate in the Bid opening. To participate in the Bid opening, please join the Teams meeting below:**

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/25925770846421?p=yHqdHsFc8VMJtXbbwp>

Meeting ID: 259 257 708 464 21

Passcode: EV2Mj6WT

[Need help?](#) | [System reference](#)

Dial in by phone

[+1 509-703-5291,,393049228#](#) United States, Spokane

[Find a local number](#)

Phone conference ID: 393 049 228#

The original and one copy of the Bid and all required Bidder's Data shall be delivered in a completely sealed opaque envelope properly addressed to:

Nicona Myers, Procurement Officer
Public Utility District No. 2
of Grant County, Washington
154 A Street SE Building E
Ephrata, Washington 98823

Phone: (509) 906-6933

E-mail: Nbutler@gcpud.org

with the name of the Bidder written on the outside of the envelope and outer shipping container with the following:

Contract Documents: 130-12856HR

Bid for: Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid

Bid due date: March 18, 2026 at 2:00 PM

Bid opening date: March 19, 2026 at 2:00 PM

Each Bid submitted shall constitute an offer to the District and shall be irrevocable for a period of 60 days following Bid opening. Contract Award, if any, shall be made within 60 days from the date of Bid opening.

Apprenticeship utilization requirements, as referred to throughout the Contract Documents, shall only be applicable if the Engineer's estimate provided at the time of Bid opening is for \$2,000,000 or greater and this Contract is awarded on or after July 1, 2024.

2. COMPLIANCE WITH BIDDING DOCUMENTS/BIDDER'S EXCEPTIONS

Bids shall be submitted on the Bid Form (see Exhibit "A") provided with the Contract Documents. All Bid proposals must be quoted in U.S. dollars. Any submittals or data which may be required by the Contract Documents to support a Bid shall be attached to the Bid Form. The Bid Form must be properly executed and all blanks must be filled in. All Bids shall be submitted in strict compliance with the Contract Documents, Technical Specifications, and commercial requirements contained herein. Bids which do not comply with these specifications and requirements or which contain or are conditioned upon different terms provided by the Bidder may be rejected. Any Bid which attempts to disclaim liability for the Bidder's negligence or to disclaim liability for damage, which arises from Bidder's acts, to person or property, may be deemed a non-responsive Bid.

Bidder shall specifically identify by paragraph and page number and describe in detail in its Bid proposal each variation or departure from the Contract Documents. If, in the District's opinion, the Bid proposal contains material variations in or departures from the commercial terms or functional design requirements, it may be rejected as being non-responsive.

3. DISCREPANCIES OR OMISSIONS IN CONTRACT DOCUMENTS

If a Bidder finds discrepancies in or omissions from the District's requirements, or if Bidder is in doubt as to the meaning of any provision in the Contract Documents, Bidder shall, at once, notify the District's Procurement Officer. If appropriate, a notice of addendum shall be posted to the District's ProcureWare site, mailed, e-mailed, or otherwise delivered to each person obtaining a set of Contract Documents. Each person requesting an interpretation shall be responsible for the delivery of their request to the District. The District shall not be bound by, nor responsible for, any other explanations or interpretations of the proposed documents other than those given in writing as set forth in this paragraph. Oral instructions, interpretations or representations shall not be binding upon the District.

4. DISTRICT'S RIGHT TO MODIFY CONTRACT DOCUMENTS

The District reserves the right to revise the Contract Documents by addendum prior to the date set for receiving Bids. The Bidder shall acknowledge the receipt of each addendum on the Bid Form to substantiate that its Bid is in accordance with the revised Contract Documents.

5. BIDDER'S WITHDRAWAL OR MODIFICATION OF BID

The Bidder may, without prejudice to itself, withdraw, modify or correct a proposal after it has been deposited with the District; provided such withdrawal, modification, or correction is filed with the District in writing, before the time set for receiving Bids. The original Bid, as modified, shall be considered as the proposal submitted by the Bidder.

6. BID DELIVERY RESPONSIBILITY

It shall be the Bidder's responsibility to deliver the original copy of its properly executed Bid and Bid documents prior to the time for Bid receipt stated above. Bids will only be accepted via United Parcel Service, Federal Express, Bidder walk-in, or other carrier or courier service to the address referenced in Section 1 above; no Bids sent by United States Postal Service will be allowed. The District shall

not accept or consider Bids transmitted by any electronic method. No Bid shall be considered which is received after the time stated above and shall be returned unopened. It shall be the sole responsibility of the Bidder to ensure that Bids are delivered at the Bid due date and time established in Section 1 above or by addendum. It shall also be the sole responsibility of the Bidder to ensure that Bids are properly addressed and labeled in accordance with Section 1 above.

7. BID EVALUATION

For the purposes of evaluating Bids, the District will consider a number of factors and will not evaluate based on cost alone. The District may let the Contract to the lowest responsible Bidder or Bidders based upon the plans and specifications, price and any other factors considered. Consideration will be given to the following:

- A. Total Bid Price.
- B. Bidder's Data (See Instruction No. 8 which follows). **NOTE: Any sealed Bid which does not contain all Bidder's Data indicated in Section 8 as "required" shall be rejected.**
- C. All Bidders shall attend a mandatory site inspection in accordance with Instructions to Bidders Section 17. **Those Bidders not represented shall not be allowed to bid on this Contract.**
- D. Bidder's compliance with the requirements of Section SR-2. **Bids that take exception to these requirements shall be rejected.**
- E. Bidder's compliance with the Contractor Safety Requirements specified in these Contract Documents. **Bids that take exception to these requirements shall be rejected.**
- F. Bidder's compliance with Completion Date in these Contract Documents. **Bids that propose alternate Completion Dates and/or Completion Dates beyond the specific dates will be rejected.**
- G. In evaluating whether previous projects were "successfully completed" as referenced in Instructions to Bidders Section Nos. 8.E, 8.F, 8.G, 8.H and 8.K, the District may check Bidder references and may evaluate the Bidder's performance, including but not limited to the following areas:
 - 1. Quality control;
 - 2. Timeliness of performance;
 - 3. Use of skilled personnel;
 - 4. Availability of and use of appropriate equipment;
 - 5. Compliance with contract documents; and
 - 6. Management of submittal process, Change Order, and close out.
- H. All elements or factors which shall affect the final cost to or benefits to be derived by the District, which may include, but not be limited to:

1. The ability, capacity, and skill of the Bidder to perform the Contract or provide the services required;
2. The character, integrity, reputation, judgment, experience, and efficiency of the Bidder;
3. Whether the Bidder can perform the Contract within the time specified;
4. The quality of performance of previous contracts or services;
5. The previous and existing compliance by the Bidder with laws relating to the Contract or services; and
6. Whether, within the three year period immediately preceding the date of this Bid solicitation, the Bidder has been determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

8. BIDDER'S DATA/SUBMITTALS

The Bidder shall submit the following information with their sealed Bid:

- A. **REQUIRED or Bid shall be rejected.** Bidder shall submit on the Bid Form the names of Subcontractors who shall perform the HVAC (heating, ventilation, and air conditioning), plumbing and electrical work, and structural steel and rebar installation, or name itself. In accordance with RCW 39.30.060, the Subcontractors (or Bidder if naming itself) identified on the Bid Form as performing the HVAC (heating, ventilation, and air conditioning), plumbing and electrical work shall be licensed at time of Bid submittal and Bidder shall provide proof of such licenses with its Bid.
- B. Bidder shall submit on the Bid Form the names of any other Subcontractors proposed to perform work under this Contract. Bidder's shall attach experience and qualifications of Subcontractors with Bid Form.

The Contractor may subcontract or sublet only such part or parts of the work covered by the Contract Documents as the District may approve. In no event shall Contractor subcontract more than 50% of the work. Subcontractors solely for the convenience or profit of the Contractor may not be approved if, as determined by the District, they would have an adverse effect upon the job. The District shall be the sole judge of such effect. The District reserves the right to refuse any person or organization (Subcontractor) to participate in the work covered by this Contract Document. Contractor shall bind every Subcontractor to, and every Subcontractor must agree to be bound by the terms of the Contract Documents, as far as applicable to the Subcontractor's work. No subcontract shall relieve the Contractor of their responsibilities and the Contractor agrees that they are fully responsible to the District for the acts and omissions of their Subcontractors and of persons employed either directly or indirectly by them. Upon request, the Contractor shall supply the District Representative with two copies of all subcontracts. Nothing contained in the Contract shall create any contractual relationship between any Subcontractor and the District.

- C. Statement of experience. Each Bidder shall submit a detailed description of the Bidder's previous experience in Substation Construction and modifications to include switchboard wiring for controls, protection and low voltage DC power. High voltage equipment installation (230kV) to include circuit breakers, disconnects, instrument transformers and substation structures. The Bidder shall include sufficient facts regarding their technical and business organization to enable the District to make an informed decision relating to the qualification of the Bidder to perform the specific work called for in this Contract Document. The Bidder shall have a minimum of five years' experience in successful completion of work similar to that which is set forth in these Contract Documents. Additional experience requirements may be included in the Technical Specifications or elsewhere in these Contract Documents for specific portions of the work. Contractor shall ensure compliance with all such requirements. If any proposed Subcontractors shall be used to meet the Contractor's experience requirements specified in this section, the Subcontractor's experience shall be provided.
- D. Bidder shall submit a list of major equipment proposed by Bidder for use in the installation work.
- E. Welding certification documentation for each worker that the Bidder proposes to use to perform any welding required during the Contract work.
- F. Name(s) of proposed person(s) providing on-site supervision for this Contract work and their employment status with the Bidder.
- G. Name(s) and statement of experience of the persons(s) that the bidder proposes to use to perform the erosion control lead during the Contract work.
- H. Name and credentials of the person that the Bidder proposes to use as the designated safety representative during the Contract work in accordance with Section CS-2.I.
- I. Construction Plan of Operations:
 - 1. Report shall include construction schedule by pertinent phases, crew assignments, field personnel organization, and proposed subcontractor's assignments **assuming** the Notice to Proceed is issued the week of May 16, 2026.
 - 2. Construction schedule shall include sequence and dates of each major planned operation, required manpower and equipment assignments, construction methods, and Contractor Furnished Material (CFM) delivery dates.
 - 3. Field personnel organization shall include crew sizes by position, names and experience of supervisory personnel, and crew work-week in hours per day and days per week.
 - 4. Subcontractor assignments shall include names and experience, subcontracted work, and estimated cost.
- J. Safety Procedures Manual:
 - 1. Manual shall include Safety responsibilities of Contractor's personnel.

2. Description of Contractor's safety program.
 3. Requirements of use of personal protective equipment.
 4. General safety-related rules of conduct.
 5. Fire prevention measures.
 6. Accident reporting procedures.
 7. Procedures for hot work (welding, cutting, etc.), and overhead work.
- K. Subcontractor assignments shall include names and experience, subcontracted work, and estimated cost.
- L. Bidder shall provide safety record information for the past three years, consistent with the Contractor Safety Request for Information Form, attached hereto as Exhibit "L".
- M. Bidder shall provide an Apprentice Utilization Plan on the form provided as Exhibit "M" and in accordance with RCW 39.04.310(2).

9. **BIDDER RESPONSIBILITY CRITERIA**

Before Contract Award, a Bidder must meet the following responsibility criteria to be considered a responsible Bidder and qualified to be awarded a public works project in accordance with RCW 39.04.350:

- A. At the time of Bid submittal, the Bidder must have a certificate of registration in compliance with RCW 18.27, a plumbing contractor license in compliance with RCW 18.106, an elevator contractor license in compliance with RCW 70.87, or an electrical contractor license in compliance with RCW 19.28;
- B. Have a current Washington State Unified Business Identifier (UBI) number;
- C. If applicable, have Industrial Insurance (worker's compensation) coverage for the Bidder's employees working in Washington State as required in Title 51 RCW;
- D. If applicable, have an Employment Security Department number as required in Title 50 RCW;
- E. If applicable, have a Washington State Department of Revenue state excise tax registration number as required in Title 82 RCW; and
- F. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
- G. Within the three year period immediately preceding the date of this Bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

- H. Have attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW.
- I. For the one-year period immediately preceding the date of the Bid solicitation, not have been found out of compliance by the Washington State Apprenticeship and Training Council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under Chapter 49.04 RCW.

The Bidder may be required by the District to submit documentation demonstrating compliance with these criteria.

10. BID BOND

Each Bid shall be accompanied by a certified or cashier's check payable to the order of Public Utility District No. 2 of Grant County, Washington for a sum not less than 5% of the amount of the Total Bid Price, or accompanied by a Bid Bond on the form provided as Exhibit "B", in an amount not less than 5% of the Total Bid Price with a corporate surety licensed to do business in the State of Washington, conditioned that the Bidder shall pay the District as liquidated damages the amount specified in the bond, unless Bidder enters into a Contract in accordance with their Bid and furnishes the Payment and Performance Bond hereinafter mentioned within 10 days from Contract Award. If a Bid is rejected, or if a Bid is accepted and a Contract Form executed, any check shall be returned in each instance within a period of 10 days to the Bidder furnishing the same. If the Bid is one of the three low Bids, such check or bond shall be held by the District until Contract Documents are fully executed by the District and successful Bidder and the Payment and Performance Bond provided per Section 12. If a Bid Bond was provided, 30 days following this period, the original Bid Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Bidder's failure to submit its Bid Bond on the form attached to the Contract Documents, or a certified or cashier's check in accordance with this section shall result in rejection of the Bid.

11. REFUSAL TO EXECUTE CONTRACT

Should the successful Bidder fail or refuse to execute a Contract Form and furnish a Payment and Performance Bond within 10 days following receipt of notification of Contract Award, the Bidder shall be considered to have abandoned the Bid and the check or Bid Bond in the amount of not less than 5% of the Bid delivered with the Bid shall thereupon be due and owing to the District as liquidated damages for such failure or refusal, and the District may thereupon award the Contract to any other Bidder.

12. PAYMENT AND PERFORMANCE BOND

To assure compliance with the terms of the Contract Documents, the Contractor shall furnish a Payment and Performance Bond in an amount equal to 100% of the amount of the Contract Price, excluding Washington State Sales Tax, with surety or sureties who are acceptable to the District. This Payment and Performance Bond shall remain in force for a period of 365 days after Final Acceptance. Thirty days following this expiration, the original Payment and Performance Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Payment and Performance Bond must be on the form provided with these Contract Documents as Exhibit "D". The cost of the Payment and Performance Bond shall be included in the Total Bid Price.

13. WAIVE MINOR ERRORS

The District reserves the right to waive minor errors or irregularities in any Bid if it appears to the District that such errors or irregularities in any Bid were made through inadvertence and are not material. Any errors or irregularities so waived must be corrected on the Bid on which they occur prior to the execution of any Contract Form which may be awarded thereon. No Bidder may withdraw their Bid after the hour set for the opening thereof, unless and until Contract Award has been delayed for a period exceeding 60 days after the date of Bid opening.

14. DISTRICT'S RIGHT TO REJECT BIDS

The District reserves the right to reject any and all Bids or to accept the Bid which in its sole and absolute judgment shall under all circumstances best serve the interest of the District.

15. PUBLIC RECORDS ACT

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

- A. The District will not contact Bidder when records the District has received are responsive to a request for public record that would result in these records being released.
- B. Marking pages "confidential" or "proprietary" does not prevent them from release. The District will review for any records that meet the proprietary exemption in RCW 42.56.270(11). The District will either claim the exemption for Bidder, or if there is any question as to its validity, the District may contact Bidder about claiming the exemption.
- C. Other items that may be provided with Bid that are NOT exempt from disclosure: Employee wages, equipment and material costs.
- D. Having a Non-Disclosure Agreement (NDA) with the District does not preclude the District from releasing these records. The courts have ruled that not all NDAs are enforceable in response to requests for public records.
- E. District scoring/evaluation forms are not exempt from disclosure once the Bid has been awarded.

16. QUALIFICATION OF BIDDERS

All Bidders shall be District prequalified Contractors as required by RCW 54.04.085.

17. MANDATORY SITE INSPECTION

Mandatory site inspection for all prospective Bidders will happen in two phases, the first phase is scheduled for February 12, 2026 at 10:00 AM, beginning at the Ephrata Service Center lunch room, located at 154 A St SE, Building D, Ephrata WA. 98823. The second phase of the mandatory site inspection will immediately follow at the Mountain View Substation off of Road S NW, Quincy

Washington at these coordinates (47.236387. -119.89234). Arrangements will be made by the District to allow prospective Bidders access to the site for the purpose of making preliminary inspections. Availability of and access to the site is otherwise limited; therefore the Bidders are advised to plan their inspections and preliminary measurements for the date specified above.

The Bidder shall satisfy itself concerning the nature and the location of the work, the general and local conditions, particularly those affecting transportation, disposal, handling and storage of materials, availability of labor and applicable wage rates, water and electric power, roads, climate conditions and seasons, and physical conditions at the actual work site and project area as a whole, the equipment and facilities needed preliminary to and during work prosecution, and all other matters which can in any way affect the work or the cost thereof. Failure of the Bidder to acquaint itself with all available information regarding any applicable condition shall not relieve the Bidder of the responsibility for properly estimating both the difficulties and the costs of successfully performing the work.

For questions related to site inspection, or for directions, contact the District Representative, Austin Clark, by calling (360) 722-0800.

18. CONTRACT DOCUMENTS

The Contract Documents consist of the documents listed in the Table of Contents.

The Contract Documents shall bind both the District and the Contractor to all requirements set forth in the components of the Contract Documents stated above.

19. BIDDER QUESTIONS OR CLARIFICATIONS

Bidders are to submit questions or requests for clarification in writing to the District's Procurement Officer. If appropriate, response to Bidder's questions will be posted to the District's ProcureWare web site. The deadline to submit questions or request for clarification to the District shall be seven business days prior to the time and date that Bids are due.

GENERAL CONDITIONS

GC-1. FORM OF CONTRACT

The form of the Contract shall be lump sum type and unit price type.

GC-2. DEFINITIONS

Whenever these words occur in the Contract Documents, they shall have the following meanings:

“BID” - The written proposal submitted by the Bidder on the Bid Form provided as Exhibit “A” in these Contract Documents.

“BID EVALUATION” - The criteria for determining the lowest responsive Bid received in response to the Contract Documents.

“BID ITEM” - A line item on the Bid Form which is included in these Contract Documents as Exhibit “A”.

“BID ITEM PRICE” – For lump sum Bid Items, the Bid Item Price shall be the price of each Bid Item.

“BID UNIT PRICE” – The price per unit on a specific Bid Item.

“BIDDER” - Any person or entity who submits a Bid.

“CONTRACT AWARD” - Contract Award is defined as the date the successful Bidder is first notified in writing that the District has accepted the Contractor's Bid. Contract Award, if any, shall be made within 60 days after the date of Bid opening.

“CONTRACT DOCUMENTS” - The Contract Documents shall include all sections listed in the Table of Contents.

“CONTRACT PRICE” - The Total Bid Price plus any optional Bid Items included in the Contract Award and any properly approved Change Orders approved subsequent to Contract Award.

“CONTRACTOR” - The successful Bidder who is awarded the Contract to perform the work covered by these Contract Documents.

“DISTRICT” OR “OWNER” - Public Utility District No. 2 of Grant County, Washington.

“DISTRICT REPRESENTATIVE” - The employee designated by the District as its representative during the progress of the work.

“FINAL ACCEPTANCE” - Acceptance of the work by the District in writing. Final Acceptance shall not constitute an acceptance by the District of any work performed or goods supplied which are not in strict compliance with the Contract Documents.

“SUBCONTRACTOR” - A contractor hired by the Contractor to perform a portion of the work covered by these Contract Documents.

“TOTAL BID PRICE” - The properly calculated total of the Bid Items on the Bid Form.

GC-3. SUSPENSION OF WORK/TERMINATION OTHER THAN FOR DEFAULT

The District may, at its sole option, by notice in writing to the Contractor suspend or terminate at any time the performance of all or any portion of work to be performed under the Contract. Upon such notice of suspension or termination of work, the District shall designate the amount and type of plant, labor, and equipment to be committed to the work site during the period of suspension or termination. The Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize costs associated with suspension or termination.

- A. Upon receipt of any such notice, the Contractor shall:
 - 1. Immediately discontinue work as specified in the notice;
 - 2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated work;
 - 3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of work suspended or terminated;
 - 4. Continue to protect and maintain the work, including those portions on which work has been suspended;
 - 5. Assist District Representative or District in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under this Contract; and
 - 6. Complete performance of the work which is not terminated.
- B. As full compensation for such suspension the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:
 - 1. A standby charge, as determined to be equitable by the District Representative, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
 - 2. All reasonable costs, as determined to be equitable by the District Representative, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
 - 3. Any claim on the part of the Contractor for additional time or compensation shall be made within 10 days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the 10 day period shall constitute a waiver of any such claim; and
 - 4. In no event shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.
- C. Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended work to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within 10 days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.
- D. Upon delivery of a written notice to the Contractor, the District may, without cause and without prejudice to any other right or remedy, elect to terminate the Contract. Upon receipt

of any such notice, the Contractor shall take all appropriate steps in part A of this Section GC-3.

Upon any such termination, Contractor shall waive any claims for damages including Contractor's overhead, loss of anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever.

If such termination is effected after Contract Award but prior to the District issuing Notice to Proceed to the Contractor, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor in the preparation of its Bid plus 15% of such costs. If such termination is effected after the District has issued Notice to Proceed and the Contractor has commenced performance hereunder, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor as determined by the physical progress of the work satisfactorily completed to date of such termination evaluated against the approved Schedule of Values plus costs of removing equipment and materials and otherwise demobilizing, plus 10% of the sum of all such costs; provided, said payment shall not in any event exceed the Contract Price hereunder. The payment of the District shall constitute full and complete satisfaction and settlement for the Contractor's overhead, anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. The Contractor shall be entitled to no further payments whatsoever for the work. Amounts retained and accumulated under RCW Chapter 60.28 shall be held and disbursed as provided therein.

Contractor shall submit within 30 days after receipt of notice of termination, a request for adjustment to the Contract Price in accordance with the above provisions. District Representative shall review, analyze, and verify such request, and upon District Representative's approval, the Contract shall be amended in writing accordingly.

Those provisions of the Contract that by their nature survive Final Acceptance under the Contract shall remain in full force and effect after such termination.

GC-4. TERMINATION FOR DEFAULT/NONCOMPLIANCE

A. Acts of Default

If Contractor fails in any material way to comply with any of the conditions or provisions of the Contract Documents or is unable to pay its debts as they mature or authorizes or takes any action under bankruptcy or reorganization, readjustment of debt, insolvency, liquidation or other similar laws or proceedings it shall be considered an act of default.

B. Consequences of Default

In the event of default, the District may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. The District shall provide written notice of default. In the event the default can be cured, and Contractor fails to correct the default within 10 days after written notice of default, the District may terminate the Contractor's right to proceed with all or any portion of the work. The District's right to liquidated damages shall not in any manner limit any other remedy available to the District, including but not limited to, the District's right to terminate the Contractor's right to proceed.

C. Noncompliance

The Contractor shall, upon receipt of written notice of noncompliance with any provision of this Contract and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on the Contractor or its representative at the site of the work, shall be deemed sufficient. If the Contractor fails or refuses to comply promptly, the District Representative may issue an order to suspend all or any part of the work. When satisfactory corrective action is taken, an order to resume work shall be issued. No part of the time lost due to any such suspension order shall entitle the Contractor to any extension of time for the performance of the Contract or to reimbursement for excess costs or damages.

GC-5. ASSIGNMENT

The Contractor shall not assign this Contract or any interest in or part thereof, or any monies due or to become due hereunder, without the prior written approval of the District. Any costs to the District associated with the assignment may be deducted from amounts due to the Contractor.

GC-6. INDEMNITY

- A. Contractor shall be responsible for any and all damage, loss or injury of any kind or nature whatsoever, direct or indirect, to person or property arising out of or in any manner connected with or caused by or resulting from or suffered in connection with the execution of the work provided for in this Contract, or in connection therewith. Contractor agrees to defend, indemnify and hold harmless the District and its representatives (which terms shall be deemed to include directors, officers, employees, agents, and servants, and any other persons directly or indirectly engaged in any activity connected with the performance of the work under the Contract Documents) from and against any and all liabilities, claims, losses, damages or expenses, including reasonable legal fees, and expert witness fees, which may be incurred or sustained by the District or any of their respective employees, by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or any Subcontractor of the Contractor, and any employees of the Contractor or Subcontractor and except as may otherwise be provided by applicable law. Contractor specifically assumes liability for actions brought by Contractor's own employees against the District and for that purpose Contractor specifically waives any immunity under the Workers Compensation Act, RCW Title 51. The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefits acts; provided Contractor's waiver of immunity by the provisions of this paragraph extends only to claims against Contractor by District, and does not include, or extend to, any claims by Contractor's employees directly against Contractor.
- B. The District shall not be responsible or be held liable for any damage to person or property consequent upon the use, misuse or failure of any crane, hoist, rigging, blocking, scaffolding or other equipment used by the Contractor or any of its Subcontractors, even though the said crane, hoist, rigging, blocking, scaffolding, or other equipment be furnished or loaned to the Contractor by the District. The acceptance and/or use of any such crane, hoist, rigging, blocking, scaffolding or other equipment by the Contractor or its Subcontractors shall be construed to mean that the Contractor accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse or failure of such apparatus whether such damages

by its own employees or property or to the employees or property of other Contractors, the District, or otherwise.

- C. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.
- D. Contractor acknowledges that by entering into a contract with the District, Contractor has mutually negotiated the above indemnity provisions with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and remain in full force and effect until satisfied in full.

GC-7. LAWS, REGULATIONS, PERMITS

The Contractor and Subcontractors shall comply with all applicable building, health, and construction codes. The Contractor represents that it is familiar with, and shall be governed by and comply with, all Federal, State and local statutes, laws, ordinances, and regulations including amendments and changes as they occur. In the event of a conflict, the most stringent provision shall apply. The Contractor and any Subcontractors shall be responsible for ensuring that its employees fully comply with the District's Code of Ethics, a copy of which is available at the District's offices.

All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Contract shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. 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 Contract 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 Contract, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

Unless the Contract Documents provide otherwise, all permits and licenses necessary to the prosecution of the work shall be secured by the Contractor at its own expense, and Contractor shall give all notices necessary and incident to the due and lawful prosecution of the work.

GC-8. DAMAGES

Any claims arising under the Contract by the Contractor shall be made in writing to the District Representative no later than 10 days after the beginning of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the Contract Documents shall constitute waiver of any such claim.

GC-9. INDEPENDENT CONTRACTOR, SUPERINTENDENT, AND EMPLOYEES

It is understood and agreed that in all work covered by the Contract, the Contractor shall act as an independent contractor, maintaining complete control over its employees and all of its Subcontractors. The Contractor shall perform the work in accordance with its own methods, subject

to compliance with the Contract. The Contractor shall perform the work in an orderly and workmanlike manner, enforce strict discipline and order among its employees and assure strict discipline and order by its Subcontractors, and shall not employ or permit to be employed on the work any unfit person or anyone unskilled in the work assigned to them.

The Contractor shall designate in writing before starting work competent, authorized site representative(s) who shall be authorized to represent and act for the Contractor in all matters relating to the Contract. The Contractor's letter designating representative(s) shall clearly define the scope of their authority to act for the Contractor and define any limitations of this authority. Said authorized representative(s) shall be present at the site of the work at all times when work is in progress. Arrangements acceptable to the District shall be made for any emergency work which may be required. The Contractor's authorized representative(s) shall be supported by competent assistants as necessary, and the authorized representative(s) and assistants shall all be satisfactory to the District. All directions given to the authorized representative(s) by the District shall be binding as if given to the Contractor.

The Contractor and its Subcontractors shall employ only orderly workers. Employees deemed by the District to be incompetent, subversive, or disorderly shall be removed from the performance of the work, and such removal shall not form the basis of any claim for compensation or damage upon the District.

The Contractor and Subcontractor shall be responsible for ensuring that its employees fully comply with all applicable federal, state and local laws and support the District's commitment to provide a safe, healthy, and drug free work environment. The Contractor and Subcontractor shall immediately remove any employee from further work when it is determined that they are not fit for duty. Furthermore the Contractor and Subcontractor shall immediately remove any employee from further work if it is determined by the District, at its discretion, that the employee is not fit for duty for any reason. Failure on the part of the Contractor or Subcontractor to comply with any of the above shall be considered an act of default in accordance with Section GC-4.

GC-10. CORRECTION OF WORK/WARRANTY

All materials and equipment incorporated into any work under the Contract shall be new and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be in accordance with sound work practices acceptable to District Representative. Contractor warrants all equipment, materials and labor it furnishes or performs under this Contract against defects in design, materials, and workmanship. Contractor's warranty shall remain in effect for a period of 365 days after Final Acceptance.

If at any time prior to the expiration of the warranty period, Contractor or District discovers any defect in such design, materials or workmanship, the Contractor shall, upon written notice from the District given within a reasonable time after discovery, correct such defects to the satisfaction of the District by redesigning, repairing or replacing the defective work at a time acceptable to District. All costs incidental to such corrective action including removal, disassembly, reinstallation, re-work, re-testing and re-inspection as may be necessary to correct the defect or demonstrate that the previously defective work conforms to the requirements of the Contract shall be borne by the Contractor.

Contractor warrants any and all corrective action against defects in design, materials, and workmanship for a period of 12 months following acceptance by District of the corrected work.

If, after due notice, the Contractor shall refuse or persistently neglect to make corrections so as to meet the requirements of the Contract, the District may proceed to make such corrections as they may be required and Contractor shall reimburse District for all cost and expenses incurred in connection therewith.

The warranty requirements in this section are the minimum requirements for materials, equipment and work under this Contract. Any other warranty requirements specified in the Contract, including the Technical Specifications, are in addition to, and not in lieu of the minimum requirements specified herein.

GC-11. CHANGES IN WORK

Without invalidating the Contract, the District may make changes by altering, adding or deducting from the work, and/or make changes in the drawings and specifications requiring changes in the work and/or materials and equipment to be furnished under this Contract; provided such additions, deductions or changes are within the general scope of the Contract. Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth via District Resolution which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at the District's option:

- A. Unit prices specified in the Contractor's Bid proposal, if any.
- B. An agreed lump sum. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including, as applicable:
 - 1. Detailed proposed labor categories, hours, and rates.
 - 2. Specific materials and quantities.
 - 3. Equipment and equipment hours.
- C. Actual Cost
 - 1. Labor, including foreman, only for employees who will work directly on the work covered by the Change Order.
 - 2. Payroll taxes and fringe benefits.
 - 3. Materials entering permanently into the work.
 - 4. The ownership or rental cost of plant and equipment during the time of use on the project.
 - 5. Power and consumable supplies for the operation of power equipment.
 - 6. Insurance and bonding.
 - 7. The Contractor may include a fixed fee (overhead plus profit) not to exceed 15% to the sum of Items 1 through 6. This fixed fee shall include:

- a. Reproduction and printing costs including electronic media.
 - b. Communication costs including all phones, faxes, Internet, postage, shipping, delivery, couriers.
 - c. Computer software, printers, scanners, office machines and related costs of operation including consumables.
 - d. Indirect and overhead burden.
 - e. Profit.
8. For any work performed by a Subcontractor, the Contractor's fixed fee is limited to 6%. Items 1 through 7 also apply to the Subcontractor.

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. The District shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Exhibit "E" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

The District Representative may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the Contract, do not involve any additional cost and shall not require an extension of the Contract completion date. The Contractor shall make no such changes without receipt of a District Instruction, Exhibit "F", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the Contract completion date. District Instructions, when issued, shall be in writing and signed by the District Representative.

If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify the District of the same and not proceed with the changes. Contractor shall provide a cost and schedule proposal per District Instruction Item 3 or independently provide an alternative for consideration by the District Representative by submitting a Contractor Change Order Proposal, Exhibit "G".

No waiver of any provision of the Contract, and no consent to departure there from, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

If Contractor believes that any requirement, direction, instruction, interpretation, determination, or decision of the District described in a Change Order entitles Contractor to an adjustment in the Contract Price or time for performance and Contractor refuses to execute the Change Order, then Contractor shall submit a claim as provided in Section GC-8 of this Contract. Notwithstanding the submission of any such claim, Contractor shall proceed without delay to perform the work described in the Change Order.

GC-12. PAYMENT/RETAINAGE

- A. Contractor may submit an invoice monthly for approval and payment by the District for the portion of work satisfactorily completed during the previous month for each Bid Item as shown on the Bid Form and for materials and/or equipment properly stored on District

property. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice (see Section GC-12.B for further details). The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice. Contractor understands and agrees that by executing this Contract with the District, the District shall make payment(s) by automated clearing house (ACH). The District shall not be liable for fees incurred as a result of changes to Contractor's banking information without proper, separate notification to Accounts Payable via email at accountspayable@gcpud.org. Failure of Contractor to properly notify the District of banking changes as specified above shall result in forfeiture of associated fees.

Invoices shall include the Contract number 130-12856HR, a list of the Subcontractors used during the billing period, and the percentage of total labor hours by Contractor and each and every Subcontractor of the Contractor that were performed by small and diverse businesses during the billing period. Invoices shall also include a report of what percentage of total labor hours by Contractor and each and every Subcontractor of the Contractor or a Subcontractor were performed by apprentices during the billing period. Invoices shall be addressed as follows:

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

Phone: (509) 754-7940
E-mail: AccountsPayable@gcpud.org

- B. Before any invoices are submitted, the Contractor will submit for review and approval a progressed Primavera P6 CPM schedule in XER format and Monthly Progress Report. The District Project Manager and District Representative will review the Earned Value Cost for the work accomplished and provide any corrections needed. Once the CPM schedule, Earned Value Progress and plan to complete the remaining scope of work are agreed upon the Application for Payment may be submitted. The total Job to Date Invoice amount must align with the Earned Value Cost in the approved Primavera P6 CPM schedule.
1. **7th day** of the month – The **Contractor** submits the following for **District** review
 - a. Monthly Schedule Submittal
 - b. Monthly Progress Report
 2. **10th day** of the month – The **District** will identify any changes or modifications to the Primavera P6 schedule and Earned Value Cost
 3. **15th day** of the month – The **Contractor** will submit the updated Schedule of Values and invoice that aligns with the approved earned value cost in the Primavera P6 CPM schedule.
 - a. The total Earned Value Cost of completed work in the approved Primavera P6 CPM schedule minus the total previous progress payments will be the amount of the monthly invoice.
- C. Schedule of Values: Contractor shall prepare and submit a Schedule of Values to the District Representative within 14 days after notice of Contract Award. The Schedule of Values shall

provide more detailed values as required by the Contract Documents and as required by the District Representative.

Format and Content: Mobilization and project closeout, including Demobilization/Project Record Drawings (Section SR-7), will be listed as individual items on this schedule. Provide at least one line item from the Schedule of Values for each line on the Bid Form.

1. Identification: Include the following project identification on the Schedule of Values:
 - a. Project name and location
 - b. District Contract number
 - c. Contractor's name and address
 - d. Date of submittal
2. Provide a breakdown of the Contract Bid Items in enough detail to facilitate continued evaluation for payment and progress reports. Provide a separate line item in the Schedule of Values for each part of the work where invoice for payment may include materials or equipment purchased or fabricated and stored, but not yet installed.
3. Provide separate line items in the Schedule of Values for initial cost of materials, for each subsequent stage of completion, and for total installed value of that part of the work.
4. Schedule Updating: Update and resubmit the Schedule of Values before the next invoice for payment when Change Orders result in a change in the Contract Price.

- D. The Contractor and each and every Subcontractor of the Contractor or a Subcontractor shall report its final apprentice labor hours on the Affidavits of Wages Paid to the Department of Labor and Industries using the My L&I Contractor Portal. The Affidavit of Wages Paid will be used to confirm that no less than 15% of the labor hours, as defined in RCW 39.04.310(4), was performed by apprentices.

Apprenticeship utilization goals should be met. As such, upon Contract completion and approval of all Affidavits of Wages paid for Contractor and all Subcontractors, Contractor may submit its final invoice and include the monetary incentive (Bid Item No. 2) in accordance with RCW 39.04.320(4)(b) if apprenticeship utilization goals were met. In the event the Bid Item Price for Apprenticeship Utilization Goals Met exceeds 1% of the Total Bid Price (not to exceed \$100,000.00), the excess shall be reduced from Bid Item No. 2 and the corrected total shall be reflected in the Total Bid Price. However, if the apprenticeship utilization goals were not met, and the District did not approve a Good Faith Effort (GFE) submitted by the Contractor, the District shall assess a monetary penalty in accordance with RCW 39.04.320(4)(b) from Contractor's final invoice. Penalty amount shall be limited to 1% of the Total Bid Price (not to exceed \$100,000.00).

If a project does not meet the required 15% apprentice utilization rate, the Contractor can request a GFE approval from the District. GFE documentation must be submitted to the District Representative as soon as it is known that the apprenticeship requirement cannot be met. Waiting until completion or near completion of the project to submit information is not acceptable. The GFE request must be written and should, a.) detail efforts made to attain apprentice labor, b.) explain why the project is anticipated to fall short (or provide other

justification for the project not achieving the 15% utilization rate), and c.) include documentation to verify the GFE claim. The District Representative will review the Contractor's good faith documentation to determine that:

- The situations documented by the Contractor represent a legitimate GFE; and
- The shortfall in apprentice participation is attributable to the situations documented by the Contractor in the GFE.

A GFE that does not meet BOTH of the above criteria will not be accepted. The GFE is for the entire project, not for any individual Contractor and/or Subcontractor. The District Representative will forward a GFE request to the Procurement Officer along with an evaluation of the request and a recommendation to approve or deny. The Procurement Officer will issue a final written determination. If approved, GFE request and supporting documentation, along with the approval will be uploaded to the L&I Awarding Agency Portal.

The District shall report apprenticeship utilization by Contractor and all Subcontractors to the Department of Labor and Industries through the Notice of Completion of Public Works Contract upon Contract completion and approval of all Affidavits of Wages Paid.

- E. The District shall withhold the sum of 5% of the amount of each progress payment to the Contractor as retainage in accordance with RCW Chapter 60.28 of the Revised Code of the State of Washington.

If the District is requested in writing by the Contractor, the monies reserved hereunder (retainage) shall be placed in escrow with a mutually agreed upon bank or trust company by the District and interest on such escrowed funds shall be paid to the Contractor as said interest accrues, all as more fully provided in RCW Chapter 60.28. However, any payments made to the Contractor hereunder shall not relieve the Contractor from responsibility under provision of the Contract and warranties. Payment is not to be construed as acceptance by District or certification that the Contractor has performed the work correctly or according to Contract Documents.

GC-13. PAYMENTS WITHHELD

In addition to the above percentage retained, the District may withhold the whole or part of any payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the Contract can be completed for the balance then unpaid.
- E. Damage to another Contractor.
- F. Damage to or loss of District-furnished materials or District property.

- G. Contractor's failure to meet any performance warranties required by the Contract Documents.
- H. Contractor's liability for payments due to the District as the result of terms and conditions of these Contract Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

GC-14. ACCEPTANCE AND FINAL PAYMENT

When the Contractor has completed all work in accordance with the terms of the Contract Documents, the Contractor shall properly execute and submit final invoice to Accounts Payable. Once final invoice has been processed, the District's Procurement Department will issue the Certificate of Completion and Release to be executed by the Contractor and returned to the Procurement Officer. The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated, if any.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Contract and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from this Contract. If any dispute exists between the Contractor and any person, firm or corporation to which the Contractor might be obligated in connection with this Contract, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against the District relative to this Contract. The Contract work shall not be complete until after the Contractor has returned to the Procurement Officer a properly completed Certificate of Completion and Release.

Upon receipt of Certificate of Completion and Release by the Procurement Officer, the District Representative provides a recommendation relative to Final Acceptance. The District shall, within a reasonable time, take action on Final Acceptance. Such action shall be subject to the condition of the Payment and Performance Bond, legal rights of the District, required warranties, and correction of faulty work discovered after final payment. The District shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of the District, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach or damage by the Contractor of the provisions hereof, the District may retain from any payment or payments a sufficient sum in the opinion of the District which may become due under any obligation of the District.

Sixty days after Final Acceptance, retainage may be released to the Contractor; provided, however, that there are no claims filed of materialmen or laborers and that the District has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, Employment Security Department release, the approved Washington State Department of Labor and Industries Certificate of Release of the State's Lien on Public Works Contracts form and the approved affidavit showing payment of prevailing wages for the Contractor and any Subcontractors. If any liens remain unsatisfied from the retainage, the Contractor shall refund to the District such amounts as the District may have been compelled to pay in discharging such liens including all costs and reasonable legal fees.

GC-15. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE

The District Representative shall represent the District. The District Representative has authority to stop the work whenever such stoppage may be necessary to ensure the proper execution of the Contract. District Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to decide questions which arise in the execution of the work.

Approval by the District Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by the District or certification that Contractor has performed the Contract work correctly or according to Contract Documents. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within its control.

All claims of the Contractor and all questions relating to the interpretation of the Contract, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the District Representative for determination within the applicable time period specified in the Contract Documents.

All such determination and other instructions of the District Representative shall be final unless the Contractor shall file with the District Representative a written protest, stating clearly and in detail the basis thereof, within 10 days after the District Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the District Representative to the District's General Manager, who shall issue a decision upon each such protest, and its decision shall be final. Pending such decision, the Contractor, if required by the District Representative, shall proceed with the work in accordance with the determination or instructions of the District Representative.

The District Representative may appoint assistants and inspectors to assist in determining that the work performed and materials furnished comply with Contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the District Representative, or to exercise such additional authority as may be delegated to them by the District Representative. All work done and all materials furnished shall be subject to inspections by the District Representative or inspector at all times during the work.

The District Representative and contact information for this Contract is listed below.

Austin Clark
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823
(360) 722-0800
Ablytheclark@gcpud.org

GC-16. COOPERATION WITH OTHERS

There may be other contractors or forces of the District working the same area where work under this Contract shall be performed. The Contractor shall fully cooperate with such other contractors and

the District's employees and carefully fit their work with the other work consistent with orderly and expeditious performance and completion of the project as a whole.

GC-17. WAGES PAID BY THE CONTRACTOR

Contractor and its Subcontractors shall comply with all provisions of RCW Chapter 39.12 and Section 2.5 of the Collective Bargaining Agreement (hereinafter referred to as Section 2.5) between the District and IBEW Local No. 77. A copy of Section 2.5 is attached hereto as Exhibit "I". Contractor and its Subcontractors shall pay all laborers, workmen, or mechanics employed by it or them in the performance of this Contract the greater of: (1) the applicable state prevailing wage rate required by (RCW Chapter 39.12); or (2) the applicable wage rate required by Section 2.5. In the event the applicable wage rate(s) required to be paid by the Contractor or its Subcontractors change during the performance of this Contract, Contractor and its Subcontractors shall make any required adjustment so as to fully comply with any applicable state prevailing wage rate law (RCW Chapter 39.12) and Section 2.5. Notwithstanding the foregoing, the District shall not be required to make any adjustment in the Contract Price as a result of changes in either the state prevailing wage rate law or Section 2.5, except as provided in WAC 296-127-023.

Prior to any payments being made to Contractor, the Contractor and each and every Subcontractor of the Contractor or a Subcontractor shall file a "Statement of Intent to Pay Prevailing Wages" which has been approved by the Department of Labor and Industries as required by RCW 39.12.040. Contractor shall be responsible for accuracy of Intents filed by each and every Subcontractor of the Contractor or a Subcontractor, including apprenticeship utilization requirements, if applicable.

Washington State hourly prevailing wage rates are located at: <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>. It shall be the Contractor's responsibility to determine the locality of the work and to confirm with the Washington State Department of Labor and Industries, prior to the Bid due date, that the appropriate classification of work and most current version of the prevailing wage rates are utilized in the preparation of the Contractor's Bid.

GC-18. INSURANCE

- A. Prior to the commencement of any work under this Contract, and at all times during the term of this Contract, 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 deductible, self-insured retention or coverage via captive \$25K or above must be disclosed and is subject to approval by 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;

- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);
- e. Pollution Liability (sudden and accidental);
- f. Such insurance shall not exclude coverage for action-over liability claims;
- g. Such insurance shall not exclude coverage for Explosion (X), Collapse (C) and Underground Hazards (U).

with the following **minimum limits**:

- h. \$1,000,000 Each Occurrence
- i. \$1,000,000 Personal Injury Liability
- j. \$2,000,000 General Aggregate (per project)
- k. \$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. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability:** When applicable, 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**. Employer's Liability may be procured as an endorsement to the commercial general liability via the Stop Gap Coverage endorsement. 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:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned (if any), 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, property damage or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where 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. **Excess Insurance:** Excess (or Umbrella) Liability insurance with a **minimum limit of \$10,000,000 per occurrence and in the aggregate**. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 (Employer's Liability only) and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years or the statute of repose.

Excess/umbrella 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.

District Procured Insurance

5. **Builders Risk Insurance:** The District shall, at its own expense, carry and maintain "All Risks" forms of "Builders Risk" insurance, against loss of or damage to property including Earthquake and Flood on a replacement cost basis and with a waiver of the coinsurance provision, insuring the District, Contractor, all Subcontractors and all Sub-Subcontractors from and against all risks of physical loss or damage to the work, the foundation, (including permanent and temporary building and contents), materials, equipment and supplies for the full insurable value thereof, while in transit to the job site, while there awaiting installation, during installation and all forms of testing, and until completion and acceptance by District of Contractor's work hereunder. Such insurance shall be written in an amount at least equal to the initial Contract Price as well as subsequent modifications of that sum plus the value of District supplied materials and equipment.

Except for loss or damage caused by earthquake or flood (Optional), Contractor shall pay at its sole cost and expense the deductible for any claim under the builder's risk policy up to \$10,000. Such cost and expense shall not be recoverable under any part of this contract. If the deductible for a claim under the builder's risk policy exceeds this amount, the District shall be responsible for the excess.

Insurance coverage loss or damage to Contractor's or its Subcontractor's tools shall be maintained by Contractor or Subcontractor at its sole discretion and at its own expense. If such insurance is purchased, the policy shall provide a waiver of subrogation in favor of the District.

- B. Evidence of Insurance - Prior to performing any Services, and within 10 days after receipt of the Contract Award, then annually thereafter, 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 copies of the endorsements or policy documents where policy terms required under Section A are met.

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 Contract. 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.

1. Major Subcontractors. Contractor shall require Subcontractors with subcontracts having a value in excess of \$1,000,000 to obtain and maintain the insurance coverages listed in Section A above throughout the duration of the project, specific to Subcontractors' work and activities that are directly or indirectly associated with this project; provided, however, Subcontractors' Umbrella Liability insurance may be reduced to:
 - \$4,000,000 Each Occurrence
 - \$4,000,000 General Aggregate Limit
 - \$4,000,000 Products-Completed Operations Aggregate Limit
2. Other Subcontractors. Contractor shall require Subcontractors with subcontracts having a value less than \$1,000,000 to obtain and maintain, at a minimum, commercial general liability insurance, stop gap employers liability and auto liability insurance as described in Section A.1-3 above at all times while working on District premises.
3. All Subcontractors must comply with the Worker's Compensation Law contained in Title 51 of the Revised Code of Washington for all work performed in the State of Washington.

- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, except 10 days' advance written notice for cancellation due to non-payment of premium. 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 email.

GC-19. SAFETY

The Contractor shall comply with the safety requirements of these Contract Documents, all District policies located at <https://www.grantpud.org/for-contractors> and the current version of the applicable requirements of the following codes and standards (including reports and records as required) which includes but are not limited to:

Applicable Local Codes and Statutes	
American Concrete Institute	(ACI)
American Institute of Steel Construction	(AISC)
American National Standards Institute	(ANSI)
American Society of Civil Engineers	(ASCE)
American Society of Mechanical Engineers	(ASME)
American Society for Testing and Materials	(ASTM)
American Welding Society	(AWS)
American Wood Preservers Association	(AWPA)
Division of Occupational Safety and Health	(DOSH)
Edison Electric Institute	(EEI)

Institute of Electrical & Electronics Engineers	(IEEE)
Insulated Cable Engineers' Association	(ICES)
International Building Code	(IBC)
International Energy Conservation Code	(IECC)
International Existing Building Code	(IEBC)
International Fire Code	(IFC)
International Mechanical Code	(IMC)
International Plumbing Code	(IPC)
National Electrical Code	(NEC)
National Electrical Manufacturers' Association	(NEMA)
National Electrical Safety Code	(NESC)
National Fire Protection Association	(NFPA)
Occupational Safety and Health Administration	(OSHA)
Washington Administrative Code	(WAC)
Washington Industrial Safety & Health Act	(WISHA)
Washington State Department of Ecology	(WSDOE)
Washington State Department of Health	(WSDOH)
Washington State Department of Transportation	(WSDOT)
Washington State Department of Labor & Industries	(LNI)
Washington State Energy Code	(WSEC)
United States Environmental Protection Agency	(EPA)

Any accidents or damage to District property shall be reported immediately to the District Representative in accordance with the Contractor Safety Requirements section of these Contract Documents.

Nothing herein shall be deemed to impose any duty or obligation on the District to determine the adequacy or sufficiency of the Contractor and Subcontractors' safety programs. Contractors and Subcontractors remain solely responsible for safety of the general public and employees, as provided herein.

GC-20. INSPECTION

The District Representative, assistants and inspectors shall have access to all places where work is being done or where materials are being manufactured or prepared for use under these Contract Documents and they shall have full access to facilities for unrestricted inspection during working hours of such materials, equipment and work. The District Representative, assistants and inspectors shall be authorized to record their observations in any manner reasonable, including but not limited to recording by photographs.

The District Representative shall be kept informed of the production schedules so that inspections may be adequately performed. The Contractor shall give timely notice of any inspections required or desirable. Re-examination of questioned work may be ordered by the District Representative, and, if so ordered, the work must be uncovered by the Contractor. If such work be found in accordance with the Contract Documents, the District shall pay the costs of re-examination and replacement. If such work be found not in accordance with the Contract Documents, the Contractor shall bear such cost and expedite such necessary corrections.

GC-21. CONFLICT AND PRECEDENCE/INTENT

- A. In the event there are any conflicting provisions or requirements in the component parts of the Contract, the several Contract Documents shall take precedence in the following order:
1. Change Orders
 2. Contractor Safety Requirements
 3. Contract Form
 4. Addenda
 5. Specific Requirements
 6. General Conditions
 7. Technical Specifications
 8. Contract Drawings
 9. Instructions to Bidders
 10. Payment and Performance Bond
 11. Bid Proposal
- B. The intent of the Contract Documents is to prescribe a complete work. Contractor shall furnish all labor, tools, equipment, transportation, supplies and incidentals required to complete all work. The Contract Price, whether lump sum or unit prices or a combination thereof, shall be full pay for all work and equipment required to fully complete the Contract work.

GC-22. PRE-WORK CONFERENCE

The Contractor, upon notification by the District, may be required to attend a pre-work conference prior to starting any work. The purpose of the conference is to discuss, among other considerations, the responsibility of the Contractor and its Subcontractors in the prosecution and progress of the work. The conference, if any, shall be held on a date mutually agreed upon by the Contractor and the District Representative.

GC-23. PROGRESS MEETINGS

Progress review meetings shall be held at regular intervals as deemed necessary by the District Representative. Progress meetings shall be utilized to review the work schedule and discuss any delays, unusual conditions, or critical items which have affected or could affect the progress of the work.

Time is of the essence for this Contract. If at any time during the progress of work, the Contractor's actual progress, in the opinion of the District Representative, is inadequate to meet the Contract completion dates, the District may issue a written notice of noncompliance to the Contractor who shall thereupon take such steps as may be necessary to improve its progress. If within a reasonable period as determined by the District Representative, the Contractor does not improve performance to meet the work schedule, the District may direct the Contractor to accelerate the work through an increase in the Contractor's labor force, the number of shifts, overtime operations, additional days of work per week and/or an increase in the amount of plant; all without additional cost to the District.

Neither such notice by the District nor the District's failure to issue such notice shall relieve the Contractor of its obligation to achieve the quality of work and rate of progress required by the Contract.

Failure of the Contractor to comply with the instructions of the District may be grounds for determination by the District that the Contractor is not prosecuting its work with such diligence as shall assure completion within the times specified. Upon such determination, the District may terminate the Contractor's right to proceed with the performance of the Contract, or any separable part thereof in accordance with Section GC-4.

GC-24. DELAYS AND EXTENSIONS OF TIME

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, the Contract time shall be extended for such reasonable time as the District Representative shall determine. The Contractor agrees to complete the work within the Contract time as thus extended. Such extensions shall postpone the beginning of period for payment of liquidated damages but they and the events producing them shall not be grounds for claim by the Contractor of damages or for additional costs, expenses, overhead or profit or other compensation. Except for delays caused by the acts or omissions of the District or persons acting for it, extensions of time granted by the District Representative to the Contractor shall be the Contractor's sole and exclusive remedy for any delays due to causes beyond the control of the Contractor.

All claims for extension of time shall be made in writing to the District no more than three days after the Contractor knows or by reasonable diligence should know of the event causing or likely to cause the delay; otherwise, they shall be waived. In the case of a continuing cause of delay only one claim is necessary. Contractor's failure to give such notice promptly and within such time limit shall be deemed sufficient reason by the District Representative for denial of any time extension request.

Avoidable delays in the prosecution or completion of the work, for which no time extension shall be granted, shall include all delays which in the opinion of the District Representative could have been avoided by the exercise of care, prudence, foresight and diligence on the part of the Contractor or its Subcontractors. Additionally, delays in the prosecution of parts of the work which may in themselves be unavoidable but do not necessarily prevent or delay the prosecution of other parts of the work nor the completion of the whole work within the time herein specified shall constitute avoidable delays for which no time extension shall be granted.

All changes of the time or changes of the schedule shall be made by Change Orders to the Contract pursuant to Section GC-11.

GC-25. AUDIT OF RECORDS

Contractor shall maintain records and accounts in accordance with Generally Accepted Accounting Principles (GAAP) in connection with the performance of the Contract which shall accurately document incurred costs both direct and indirect, of whatever nature. If District Representative establishes uniform codes of accounts for the project, Contractor shall use such codes in identifying its records and accounts. District Representative or their representatives shall have the right to examine and copy at all reasonable times, with advance notification, Contractor's records and accounts for the limited purpose of verifying requests for payment when costs are the basis of such payment and for evaluating the reasonableness of proposed Contract Price adjustments and claims. Contractor shall make all records and accounts available to the District for inspection and copying at the District's main offices in Ephrata, Washington.

GC-26. DISTRICT'S USE OF CONSTRUCTION AND/OR EQUIPMENT

- A. The District shall have the right to take possession of, use and collect revenues from any completed, partially completed, satisfactory or unsatisfactory portions of the work after the time for completion of the work has expired, but such taking possession and use shall not be deemed an acceptance of any work not completed in accordance with the Contract Documents.
- B. The District shall be responsible for damages incurred as a result of use of the work except when such damages occur as a result of uncompleted work or faulty workmanship or materials. Prior to using any portion of the work, the District may notify the Contractor of inventory of work yet to be completed.
- C. During the progress of the work it may be necessary for the District to have access to the facilities to install certain material.
- D. The District shall have the right to operate all equipment as soon and as long as it is in operational condition, whether or not such equipment has been accepted as complete and satisfactory, except that this shall not be construed to permit operation of any equipment which may be materially damaged by such operation before any required alterations or repairs have been made. All repairs or alterations required by the Contractor shall be made by the Contractor at such times as directed and in such manner as shall cause the minimum interruption in the use of the equipment by the District.

GC-27. ENVIRONMENTAL CONTROL

The Contractor and Subcontractors shall comply with all applicable state and federal environmental regulations. Contractor shall take suitable measures and provide suitable facilities to prevent pollution, oil and chemical spills, soil erosion and the introduction of any substances or materials into any stream, river, lake or any other body of water which may pollute or silt the water or constitute substances or materials deleterious to fish or wildlife. Further, Contractor shall use all reasonable efforts to maintain the site of the work free from fugitive dust (i.e. dust that becomes airborne or visual). Contractor shall be responsible for all cost of corrective measures required as a result of any pollution, erosion or siltation, including its effects on adjacent properties.

GC-28. TAXES

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and Subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
 - 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the

same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.

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

GC-29. BOND IN LIEU OF RETAINAGE

Pursuant to RCW Chapter 60.28, the Contractor may submit a bond in lieu of the retainage that the District would otherwise keep under the terms of this Contract and pursuant to applicable law. Any such bond submitted in lieu of retainage must be on the form provided with these Contract Documents (see Exhibit "J"). In the event the Contractor fails at any time to pay persons protected under RCW Chapter 60.28 or the District has reason to believe that the District or other obligee under the bond has a claim against the retainage or for other good cause, the District may, at its option, resume retaining from monies earned by the Contractor in such amount as it would otherwise be entitled to retain had the bond not been accepted. Notwithstanding the District's resuming such retainage, said bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Contractor. After the Contractor has paid protected persons or otherwise cured any default, the District may, at its option, again release retainage pursuant to the terms of the bond. Not less than 30 days following Final Acceptance, District receipt of an Affidavit of Wages Paid approved by the Washington State Department of Labor & Industries, and District receipt of the proper releases from Washington State Department of Revenue, Employment Security Department, and Washington State Department of Labor and Industries, the original Bond in Lieu of Retainage shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. Any costs associated with the Bond in Lieu of Retainage shall be included in the Total Bid Price.

GC-30. NON-WAIVER

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

SPECIFIC REQUIREMENTS

SR-1. SCOPE OF WORK/WORK TO BE PERFORMED BY THE CONTRACTOR

The Contractor shall furnish all materials, equipment, machinery, tools, plant, labor, and transportation to perform the work specified in these Contract Documents for the Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid located off of Road S NW, Quincy, Washington at these coordinates (47.236387, -119.89234) in Grant County, Washington.

SR-2. COMPLETION SCHEDULE/LIQUIDATED DAMAGES

A. Completion Schedule

The Contractor shall not commence any work under this Contract until after all of the following: (1) receipt of notification of Contract Award; (2) full execution of the Contract Form; (3) providing the required Payment and Performance Bond; (4) providing the required Insurance Certificates; (5) attending the pre-work conference, if any; (6) acceptance by the District of the Contractor's Site Specific Safety Plan or Accident Prevention Plan, as applicable; and (7) receipt of Notice to Proceed signed by the District. The Contractor shall complete such work in a diligent and workmanlike manner.

Notice to Proceed – The “anticipated” date for work to commence onsite issued in the Notice to Proceed is May 16, 2026.

Milestone No. 1 – Contractor Schedule – The Contractor shall provide a schedule outlining the sequence of work required to complete the breaker installation in the energized yard. Any work that requires a bus outage will require a minimum of one week notice prior to anticipated start date. The schedule shall be planned to minimize operation of air switches. This Milestone will need to be completed prior to the start of Milestone No. 4.

Milestone No. 2 – Control House Build Out – The Contractor will need to prioritize a portion of the Transmission Control House to allow for the installation of temporary power and installation of 230kV breakers within the energized yard. The control house's temporary power will be critical for work lighting and heating to prevent frozen water lines. At a minimum, this will include the buildings electrical circuits, cable tray, AC/DC load center, and at least one station battery. This Milestone will need to be completed prior to the start of Milestone No. 4.

Milestone No. 3 – Below Grade work in Energized Yard – The Contractor will need to install all new conduits, footings, and grounding inside the energized yard prior to the installation of breakers to reduce the risk of damage to the breakers. This Milestone will need to be completed prior to the start of Milestone No. 4.

Milestone No. 4 – Place Equipment in Energized Yard – The Contractor shall install all breakers and CCVTs inside the energized yard. Breaker installation can be done utilizing a forklift to reduce the number of bus outages during construction. Breakers shall be placed on existing foundations. CCVTs will require new foundations, conduits, and steel to be installed. Installation shall include placement, anchoring, conduit installation, grounding, and control wire pulling and termination on Term Frame. This work shall not include Bus

Sectionalizing breakers and associated switches, equipment commissioning, removal of rigid jumpers between switches if they exist, or installation of cable jumpers.

Milestone No. 5 – Non-Energized Yard Work – The Contractor can complete all other work in the non-energized yard in parallel with other milestones, as long as all milestones are completed per Contractor Schedule. Equipment in the non-energized yard can be installed completely, including cable jumpers. This work does not include equipment commissioning.

Milestone No. 6 – Energized Yard Work – The Contractor shall coordinate with the District to secure clearances for individual bus outages required to complete the balance of work required in the energized yard. This work will require several outages to allow the Customer to transfer load to prevent outages on their system. This work shall include, at a minimum, installation of bus sectionalizing breakers and associated switches, removing rigid jumpers between buses, addition of terminals for CCVT connections to buses, and installation of all cable jumpers.

Structure 1/1 is incorporated into this Scope of Work. Contractor is to pick up the anchor bolt cage from the laydown yard near the Quincy Foothills Substation.

Final Completion on all remaining work shall be completed within 40 working days following completion of Milestone Nos. 1 through 6 and no later than November 24, 2027.

It is expressly understood and agreed, by and between the Contractor and the District that the time for the completion of the work described herein is a reasonable time for the completion of the same, taking into consideration the average climatic range and usual conditions prevailing in this locality.

B. Liquidated Damages

If the said Contractor shall neglect, fail, or refuse to complete the work within the required time, or any proper extension thereof granted by the District, then the Contractor does hereby agree, as a part consideration for the awarding of this Contract, to pay to the District the amount of \$30,000.00 per day, not as a penalty but as liquidated damages for each and every day between the day stipulated for completion of said work, and the day upon which the work is satisfactorily completed. The amount of these liquidated damages under this section shall be limited to 100% of the Contract Price.

The liquidated damages have been specifically negotiated by and between the Contractor and the District because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages, and said amount has been determined to be a reasonable estimate of the amount of damages which the District would sustain in the event of late completion of the work.

C. Contract Schedule

Immediately following Contract award, the Contractor shall prepare and submit to the District for its approval a detailed Progress Schedule identifying the various stages of work required and the time allotted for each to ensure successful completion of the project within the time specified. The Progress Schedule is to be submitted within 14 days after notice of

Contract Award. A progress report shall be submitted monthly to the District Representative showing the percentage of completion of the job. The Contractor shall assign such forces and prosecute the work in such a manner as to assure compliance with the approved schedule.

SR-3. MATERIALS AND EQUIPMENT

A. Materials Furnished By Contractor

The Contractor shall purchase and furnish for this Contract all materials for the project except for the equipment and materials which shall be supplied by the District. The materials to be furnished by the Contractor and incorporated into the work shall be new and of grades and quality specified. Any materials required for a completed project, that are not specified below as being furnished by the District are to be furnished by the Contractor.

B. Materials Furnished By District

The following material and equipment shall be supplied by the District, any material that is not listed in Exhibit "N" shall be furnished by the Contractor.

Please reference Exhibit "N" – District Supplied Materials.

All materials for this project supplied by the District shall be at the District's Ephrata warehouse located at 154 A St. SE, Ephrata, Washington 98823 and the Moses Lake Warehouse located at 10216 Kinder Rd. SE, Moses Lake, Washington 98837. The District's warehouses shall be open between 6:30 a.m. – 12:00 p.m. and 12: 30 p.m. – 3:30 p.m. Monday through Thursday, except District observed holidays. The Contractor shall notify the District 24 hours in advance of need for the District-supplied materials. The Contractor will have up to 14 working days to pick up materials after Mobilization.

Name	Phone Number	E-Mail
Brendan Johnson Moses Lake Warehouse Foreman	(509) 754-5088 Ext. 3213	Bjohnson@gcpud.org
Amy Ellestad Ephrata Warehouse Foreman	(509) 754-5088 Ext. 2310	Aellestad@gcpud.org

The Contractor Representative shall sign an itemized receipt for all materials furnished by the District at the time such materials are received by the Contractor. The District shall provide a list of for District-supplied equipment and materials for this Contract. The Contractor, after receipt of materials, shall check materials for quantities and conformance with the specifications and shall install these materials and shall be responsible for the replacement of all damaged or lost materials and shall make good damage or shortage in such a manner as not to jeopardize the completion of the project within the scheduled time and without cost to the District. If upon Contractor's review of materials, any deficiencies or shortages are discovered, the Contractor must notify the District Representative, so that the District Representative can resolve the issue in a timely fashion.

The Contractor shall be responsible for returning to the District's warehouse all salvaged or unused materials furnished by the District. All unused materials must be returned in the same condition in which they were provided and in a neat and orderly fashion. The Contractor must maintain written records of all returned materials.

Throughout the duration of the project, but no less than every three months, the Contractor shall contact the District at periodic intervals to coordinate the return of materials that are no longer needed. It is not acceptable for the Contractor to wait until the end of the project to return all unused materials. At each scheduled return, a member of the District's warehouse team will come onsite to perform a physical inventory of the unused items. A designated representative from the Contractor's team must be present on site to assist with each physical inventory count. All inventoried materials must be returned to the District's warehouse within 24 hours of the inventory being completed.

District observed holidays are as follows: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Juneteenth Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Native American Heritage Day, and Christmas Day. If a holiday falls on Saturday, it will be observed on the previous Friday. If a holiday falls on a Sunday, it will be observed on the following Monday.

SR-4. SUBSTITUTION OF MATERIALS AND EQUIPMENT

Whenever a material, article or piece of equipment is identified on the Contract Drawings or in the Technical Specifications by reference to manufacturers' or vendors' names, trade names, catalog numbers, or the like, it is so identified for the purpose of establishing a standard, and any material, article or piece of equipment or other manufacturers or vendors which shall perform adequately the duties imposed by the general design shall be considered equally acceptable, provided the material, article, or piece of equipment so proposed is, in the opinion of the District, of equal substance, appearance and function. It shall not be purchased or installed by the Contractor without prior written approval from the District Representative.

Offers of substitution of materials or equipment shall include data to substantiate that the "or equal" product meets the following criteria applicable to the time submitted.

- A. The change is adaptable to the design,
- B. The functional performance shall be equal to or better than the item specified,
- C. Where appearance affects the end product, the appearance of the item shall be as good as or better than the item specified,
- D. The maintenance cost for the product or item shall be equal to or less than the item specified including establishing and maintaining necessary stock at the District's facilities,
- E. The quality of materials used and the level of construction of the item shall be as good as or better than the item specified,
- F. The net price of the item shall be within the same price range as the item specified, and
- G. The cost to the District of furnishing and installing the item, including any necessary redesign costs by the District Representative which shall be reimbursed to the District by the Contractor shall be equal to or less than that of the item specified.

When substitute materials or equipment necessitates changes to or coordination with other portions of the work, the data submitted shall include shop drawings showing all such changes. As part of any acceptance of substitute materials or equipment, the Contractor shall furnish all materials, perform all

installation and make all other modifications as may be required to incorporate such changes at no additional cost to the District.

SR-5. CONTRACT DRAWINGS

Electronic files containing Contract Drawings shall be supplied for the Contractor's use. Files shall be available on the District's ProcureWare website.

SR-6. MOBILIZATION

- A. Mobilization shall consist of preparatory operations performed by the Contractor, including, but not limited to, those necessary for the movements of its personnel, equipment, supplies, District-supplied material and incidentals to the project site or any District-owned property adjacent to the project site; for the establishment of its field office, buildings and other facilities necessary for work on the project.
- B. Mobilization is prohibited prior to the Contractor's receipt of a Notice to Proceed signed by the District. The District reserves the right to deem the Contractor non-compliant per Section GC-4 should it attempt to mobilize prior to receiving the Notice to Proceed.
- C. The amount provided on the Schedule of Values for Mobilization shall be limited to 5% of the Total Bid Price.

SR-7. DEMOBILIZATION/PROJECT RECORD DRAWINGS

At the beginning of work, the Contractor shall set aside one complete set of prints of the Contract Drawings, upon which Contractor shall record and cause the various Subcontractors to record, all deviations in work, especially pipe and conduit locations, underground utilities and all deviations due to change orders. Notations and changes shall be done in a neat and legible manner as prescribed by the District. On a daily basis, the Contractor shall permit the District to examine and verify that the project record drawings are being kept up to date. Upon completion of all schedules, the Contractor shall immediately deliver the set of marked-up prints to the District. The amount provided on the Schedule of Values for demobilization/project record drawings shall be a minimum of 5% of the Total Bid Price. **No progress payments shall be allowed on this item.**

SR-8. NOISE CONTROL

- A. The Contractor shall take special precautions to reduce the noise level from work activities. Noise of work shall be kept from exceeding, as a criterion, the NCA 45 curve inside rooms of adjoining buildings with windows kept closed.
- B. All operations shall be conducted in such a way that employees of the Contractor and District or any other persons are not subjected to noise levels in excess of those prescribed in the Walsh-Healy Act, on occupational noise exposure.
- C. No blasting, air-hammering, excavation or other high noise level operations as determined by the District shall be permitted outside of daylight hours.

SR-9. CONTRACTOR WORK HOURS

All work required to be performed by Contractor shall normally be done between the hours of 6:00 a.m. and 5:00 p.m., Monday through Friday, exclusive of District observed holidays (see Section SR-3.B) or as identified in the approved schedule. Contractor shall provide a minimum 72 hour notice to the District Representative if at any time it becomes necessary or Contractor desires to work at times other than those specified herein or as approved in advance by the District. Approval of any proposed alternative work schedule shall be at the sole discretion of the District Representative.

For every hour the Contractor works in excess of the approved work schedule, or works in excess of 40 hours per week, the District shall deduct and retain from the Contract Price, \$125.00 per manhour to cover the District's direct and incidental costs including overhead and overtime payroll costs, required for the inspection and observation of work performed outside of the normal work hours specified above or as identified in the approved schedule. If the unapproved hours or excess hours increase the number of days of work per week, two hours will be charged, in addition to the actual hours, for District's additional travel and preparation time.

SR-10. PROJECT MANAGEMENT CONTRACTOR PARTICIPATION

- A. The District utilizes a standard approach to implementing projects by using well-defined internal standard frameworks for both project management and organizational change management. The framework procedures and associated tools and templates are required to be used for all projects as defined by the District's Enterprise Project Management Office. The Contractor shall, as directed by the District, utilize and/or actively participate in the District's application of its project management and organization change management frameworks to guide the implementation of projects and/or change events that this Contract contributes towards. To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers also comply with these requirements.

The Contractor shall provide upon request by the project team key project information required to properly manage the project. Requested information may include but is not limited to delivery and completion dates, resource estimates and availability, quality inspection and testing plans, cost estimates and forecasts, safety metrics, and any known risks or constraints associated with these. The Contractor shall provide requested project information as required to not delay project reporting or project progress, cause witness or hold points to be missed, or cause any scope or cost increases.

- B. The Contractor shall attend the appropriate project meetings as requested by the project team to provide key input to project parameters pertaining to this Contract. These meetings may include but are not limited to project kickoff meetings, preconstruction meetings, Job Site Reviews, Root Cause Evaluations, Steering Committee and Commission updates, and Monthly Business Reviews. Meetings may be in-person or virtual depending on the needs of the project. The Contractor shall make a judicious effort to attend meetings at the appropriate dates and times as required to not delay any portion of the project progress or cause any scope or cost increases.

The Contractor agrees to provide requested project closeout information with the detail and in the format requested by the project team. This information may include but is not limited to record drawings, testing and commissioning data, operation and maintenance (O&M) manuals, training information, quality history, etc. Failure to provide all requested

documentation that is acceptable to the project team shall delay acceptance and final payment by the District in accordance with Section GC-14.

SR-11. PROJECT CONTROLS

Project Controls will be implemented and used by the Contractor to assist in understanding and constructively influencing the time and cost outcomes of the project. The integration of the Project's Scope, Schedule and Cost around an agreed to Work Breakdown Structure will be used to provide a cost loaded critical path method P6 Primavera schedule, earned values analysis and progress reports. The following participation and deliverables will be required to meet these expectations.

A. Work Breakdown Structure (WBS)

1. The Contractor will work alongside the District in developing a hierarchical breakdown of the Contractor's scope of work and deliverables into manageable work packages.
2. The Contractor's WBS and work packages will contain the following:
 - WBS ID – A unique hierarchical numbering.
 - Cannot be logically subdivided any further.
 - Will be at a level that can define a meaningful conclusion and deliverables.
 - The Contractor's entire scope of the Project.

B. WBS Dictionary

1. The Contractor will work alongside the District in developing a WBS Dictionary as a communication tool that provides a well-defined scope narrative, list of deliverables, assumptions and inputs required to complete each work package identified in the WBS.
2. The WBS Dictionary will provide the following for each work package.
 - Scope Narrative – a brief description of the work package.
 - List of Deliverables – a list of deliverables and tasks needed to complete the entire scope of the work package.
 - Inputs and Needs – a list of inputs or needs from other stakeholders on the project that are required to begin or finish each deliverable.
 - Assumptions – A list of any assumptions to better clarify what is and what is not included in the scope of the work package.
3. The WBS Dictionary will be used to assist in monitoring and controlling change management and any scope creep.

C. Schedule of Values (SOV) - After the WBS and the scope of each work package within the WBS is agreed upon the Contractor will work with the District to finalize the Schedule of Values (SOV). SOV will be organized around the agreed to WBS and provide the following for each work package:

1. Work Package WBS ID
2. Work Package Description

3. Baseline Budget
4. Approved Changes
5. Current Budget
6. Percentage of total cost
7. Total % Complete
8. Invoiced Current Period
9. Invoice to Date

D. Cost Loaded Critical Path Method (CPM) Schedule

The Contractor will work alongside the District in developing a Cost Loaded CPM Primavera Schedule. This will provide the project team with an integrated CPM schedule and critical path layouts so each stakeholder can understand how their deliverables impact other stakeholders and the overall completion of the project. Handoff milestones may be established to maintain the relationship ties between stakeholder schedules.

The Contractor will submit a valid CPM Primavera schedule with no excessive constraints, open ends or out of sequence logic monthly. Each schedule submittal will come with:

- Primavera XER native file
 - PDF layouts
 - Overall schedule (organized by WBS)
 - 4 – week look ahead
 - Critical Path
1. The Contractor will be expected to work with the District in walking back and verifying the Critical Path with each schedule submittal.
 2. The CPM Schedule will be organized around the agreed to WBS and include all the Contractor's activities and steps needed to complete every deliverable identified within the WBS Dictionary.
 3. A cost-loaded CPM schedule will include the following:

All activities

All activities that make up steps required to complete the entire scope of work and deliverables identified in the WBS dictionary.
 4. Original Duration Estimates for each activity

The estimated duration of each activity represents the time required to complete the task based on available resources, constraints and historical data.
 5. Dependencies
 - a. All activities have an assigned predecessor and successor.
 - b. Only two open ends.
 - The first activity will not have a predecessor.
 - The last activity will not have a successor.

6. Cost

Schedule activities will be cost-loaded and align with the total cost of each work package in the Schedule of Values.

E. Earned Value Analysis and Progress Reporting

The Contractor will provide monthly earned value reporting for measuring the Contractor's performance and progress in an objective manner. Once the Contractor's scope, schedule and budget are integrated around a common WBS, they can begin to report on the following earned value metrics.

- Planned Value (PV) – The budgeted value of work that was scheduled to be accomplished up to a specific point in time.
- Earned Value (EV) – The budgeted value of work that has been completed up to a specific point in time.

With these two metrics, the Contractor will be able to provide the following analysis and indices:

Variance Analysis

Schedule Variance (SV) = EV – PV

Compares the earned value of work completed to what was planned to be completed.

- If the SV is negative, the project is behind schedule.
- If the SV is positive, the project is ahead of schedule.

Performance Indices

Schedule Performance Index (SPI) = EV/PV

SPI is the efficiency of time utilization on a project and provides an indication of whether the project is trending to complete the project ahead or behind the original baseline plan.

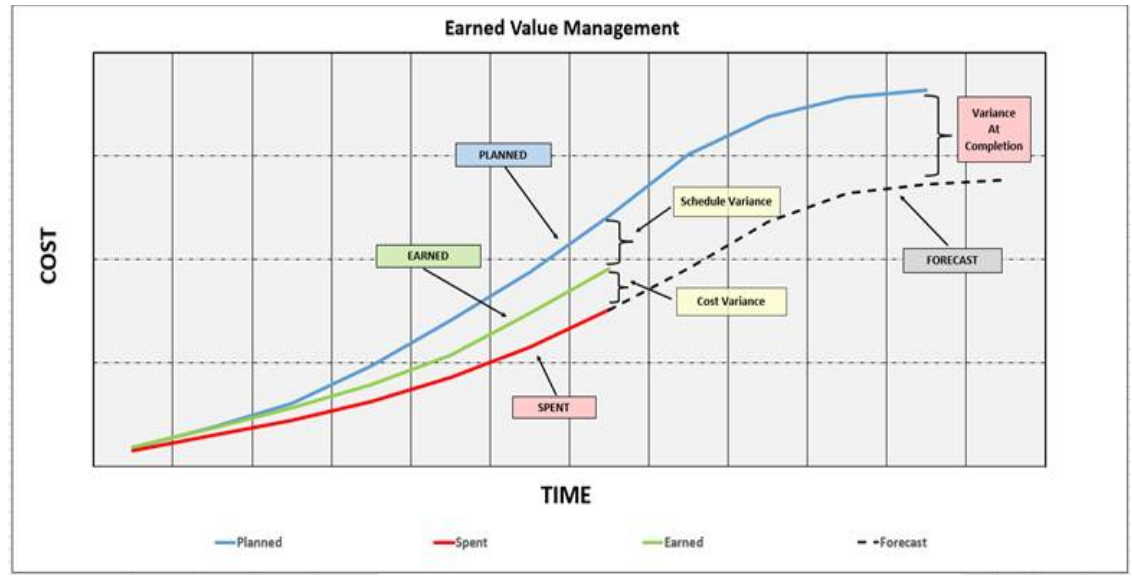
- If SPI = 1, the project is on schedule.
- If SPI < 1, the project is behind schedule.
- If SPI > 1, the project is ahead of schedule.

Forecast – The SPI and plan to complete the remaining scope of work in the Primavera P6 Schedule will be used by the Contractor to assist in the forecasted cost and completion dates of the project.

Earned Value Chart

The Contractor will be expected to plot this information to provide a bird's eye view of the health of their scope on the project.

Example of an Earned Value Chart



SR-12. UTILITIES

It shall be necessary for the Contractor to make arrangements for the following services at its own expense and pay all charges accrued for same during the life of the Contract:

- Job Trailer
- Water
- Electric Service
- Telephone/Internet Access
- Sanitary convenience (Chemical toilet)
- Refuse and waste disposal

SR-13. STORAGE OF MATERIALS AND EQUIPMENT

If any materials or equipment are stored, they shall be stored so as to ensure the preservation of their quality and fitness. Materials and equipment shall be placed on platforms or other hard, clean surfaces, and not on the ground, and shall be placed under cover and heated adequately to prevent condensation, oxidation or freezing. Stored materials and equipment shall be located so as to facilitate observation. The Contractor shall be responsible for all damage or loss that occurs as a result of its fault or negligence in connection with the care and protection of all materials and equipment until acceptance by the District.

SR-14. CLEANING UP

The Contractor shall at all times keep the premises free from accumulations of waste material or rubbish caused by its employees or work, and, at the completion of the work, it shall remove all its rubbish, tools, equipment, and surplus material from and about the structures. The cleaning up of all erection remnants and debris shall be completed immediately after each of these operations is completed at each work site. The cleaning up of lunch wrappers, garbage, equipment parts, oil filters, and the like shall be done on a day-to-day basis. Fuel, oil, and equipment waste such as drain oil shall be disposed of in approved disposal areas only.

The Contractor shall restore to a satisfactory condition any land which it has disturbed to the extent that erosion or damage to property may result. If the Contractor fails to clean up, the District may do so at the Contractor's expense, and the Contractor and its surety shall be held liable therefore.

Satisfactory restoration of the land shall be completed in an orderly process as soon as practicable following the completion of each phase of the work as it progresses.

SR-15. ARCHAEOLOGICAL RESOURCES

In the event the Contractor or any of its Subcontractors inadvertently discover archaeological resources at any time during the project, Contractor shall immediately notify the District Representative and suspend all excavation activities at the site.

"Archaeological Resource" shall mean any material remains of human life or activities which are of interest. This shall include all sites, objects, structures, artifacts, implements, and locations of prehistoric or archaeological interest, whether previously recorded or still unrecognized, including, but not limited to objects pertaining to prehistoric and historic American Indian or aboriginal burials, campsites, dwellings, and their habitation sites, including rock shelters and caves, their artifacts and implements of culture such as projectile points, arrowheads, skeletal remains, grave goods, basketry, pestles, mauls and grinding stones, knives scrapers, rock carvings and paintings, and other implements and artifacts of any material or form.

The disturbance of any cairn or Native Indian grave is prohibited by the Indian Graves and Records Act (RCW 27.44).

SR-16. PHYSICAL SECURITY

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Contractor by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the

fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.

- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.
- I. Guest Wireless: The District provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the District from personally owned mobile devices such as laptops and smart phones. Contractor personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted areas of District facilities or Protected 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. The cost of such background checks shall be borne by the Contractor.

SR-17. SECURITY, SAFETY AWARENESS TRAINING, DAM SAFETY AWARENESS TRAINING, AND TRANSMISSION AND DISTRIBUTION ACCESS TRAINING

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, Subcontractors and Subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or Subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. All contractors and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to SecurityTrainingCerts@gcpud.org.

District Representative shall ensure that Contractor's employees, subcontractor's and subcontractor's employees have completed and submitted the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted before any security access badges will be issued.

If applicable, Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If applicable, Transmission and Distribution Access Training is required for Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If you are uncertain which of the above courses you or your employees must complete, please contact your District Representative.

SR-18. ACCESS ROADS AND WORK AREAS

- A. The Contractor shall construct the minimum amount of access roads and work areas to perform the work required by the Contract Documents. The roads and work areas shall be constructed so that erosion will be kept to a minimum, so that structures or distribution facilities will not be undermined or unduly strained, and so that domestic water supplies will not be contaminated.
- B. Adequate drainage and other measures shall be provided to keep erosion to a minimum and comply with designated erosion control measures.
- C. The Contractor shall maintain all excavations, embankments, haul roads, permanent access roads, plant sites, waste disposal areas, borrow areas, and all other work areas free from dust which would cause a hazard or nuisance to the job, existing switchyards, existing roads, crops, residences, or the operations of other Contractors. The approved method of stabilization shall consist of sprinkling by water only. No separate payment will be made for dust control which the Contractor will be required to maintain. The costs for dust control shall be included in the Contract price.
- D. The placing of gravel or crushed aggregate in cultivated areas will not be permitted.
- E. On cultivated land, immediately following completion of the work on each section of line requiring access roads, the Contractor shall immediately restore the land used as a roadway to the condition as it existed prior to the start of work. Restoration shall include removing drainage facilities, compacting, smoothing, seeding, mulching with straw or suitable material, and disking the affected area, as directed by the District.
- F. On uncultivated land, immediately following completion of the work on each section of line requiring access roads, the Contractor shall restore the road to the condition as it existed prior to the start of work as nearly as practical or shall otherwise place the roadway in such condition that future erosion will be negligible by such measures as water bars, out-sloping, ditching, and smoothing, as directed by the District.
- G. In lawn areas, immediately following completion of the work on each section of line crossing lawn areas, the Contractor shall restore the lawn to the condition as it existed prior to the start of work as nearly as practical or shall otherwise place the lawn in such condition as directed by the District.
- H. All ruts, ditches, and holes created by the work shall be filled and leveled, and the land restored as nearly as practical to the condition it was in prior to the start of work. Restoration

shall be completed and shall follow closely behind the completion of work of each section of line before that section will be inspected for initial acceptance.

- I. The Contractor shall be responsible for all damage to person or property arising in connection with its activities.
- J. The Contractor shall resolve all property damage and other claims and shall obtain a release from the property owner within 30 days after completion of work on each section of line. Failure to obtain such release will result in the withholding of payments to the Contractor in accordance with the provisions of Section GC-14.

SR-19. SUPERVISION OF CONTRACTOR AND/OR SUBCONTRACTOR WORKERS

Contractor shall supply trained and qualified supervision, per WAC 296-45, for any and all work within the District's switchyard and/or substation. Contractor's supervisor shall be onsite during all work carried out by Contractor and/or Subcontractor's workers and shall be available to the District Representative during the project.

SR-20. UTILITY LOCATIONS

The District will designate, in the work order drawings, the existence of underground facilities known by it which are located in the proposed areas of excavation. Additional utilities such as water lines, sewer line, gas mains, communication cables, etc., may be constructed across, adjacent to, and along the right-of-way. It shall be the Contractor's responsibility to determine their location and to advise various utilities of the intention of performing work within the area, and he shall be responsible for any liabilities incurred due to damage or loss of these facilities. Should any of these utilities be found to be within the limits of the project(s), the Contractor shall advise the District. The District will determine the disposition of the conflicting utility. Contractor shall fully comply with the provisions of RCW Chapter 19.122.

The Contractor shall call Washington 811 (dial 811) prior to excavation of any kind on this project. This service provides location of underground utilities.

SR-21. OUTAGES

All hot line work and outages shall be coordinated with the District Representative assigned to the work. Dispatch hot line clearance and switching shall be handled through the District.

SR-22. WORK NEAR ENERGIZED LINES

The existing lines in the vicinity of the transmission project will be energized during the period of construction. The Contractor shall consider that these lines are energized unless advised otherwise, in writing, by the owner of that line. When it is anticipated by the Contractor that work will be required in areas which are dangerously close to or line crossings of energized lines, the Contractor shall submit for approval a request for de-energization at least three days for distribution facilities and two weeks for transmission facilities (60kV and above) before beginning the work and shall furnish the following information:

- LOCATION WHERE WORK WILL BE PERFORMED.
- TIME THE WORK IS TO COMMENCE.

- DURATION OF THE WORK.

All correspondence of this nature shall be addressed to the District Representative. No "Hot Line" work is permitted without written approval. Copies of all communications shall be directed to the District Representative.

SR-23. WORK CLEARANCE

Clearances shall be issued only to Contractors properly authorized by the District to receive clearances. Clearances shall be issued to and released by Contractors using the same procedures as the District Representative, which are based on the District's Dispatching and Operating Safety Rules.

SR-24. IMMINENT THREAT TRAINING

Prior to work starting under this contract, the Contractor's personnel will be given training, by the District's Line Superintendent or their qualified designee, specific to communication protocols when an imminent threat to the transmission system exists. Contractor will be instructed to call District System Operations immediately. At the Pre-Work conference, cards with the District System Operations phone numbers on them will be delivered to the Contractor for placement in the Contractor vehicles used on this project.

SR-25. FIRE PREVENTION

There is an extreme fire hazard during periods of dry weather in many of the designated work areas. The Contractor shall not permit unauthorized fires either within or adjacent to the limits of the work. The Contractor shall be responsible for all damage from fire due directly or indirectly to their own activities, to those of Contractor's employees, and to those of Subcontractors and employees.

SR-26. DUST AND SPRAY CONTROL

The Contractor shall provide control measures to prevent dust and spray from contaminating or leaving the site. All control measures shall be satisfactory to the District.

SR-27. RIGHT-OF-WAY

The right-of-way will be furnished by the District for the work covered by these Contract Documents. No permanent structure of any kind, other than the distribution facilities as described in the Contract Documents, are to be erected thereon. The Contractor shall provide right-of-way for ingress or egress across private property where necessary to gain access to the job site. Should the Contractor need additional working space or lands for material yards, job offices, or other purposes outside of the District furnished right-of-way, Contractor shall obtain such additional lands or easements at their own expense.

SR-28. GATES AND FENCES

Care shall be exercised that fences adjacent to the distribution line are not damaged. Should damage occur to any fence, it shall be repaired immediately, at the Contractor's expense, to standards equal to those of the existing fence.

The Contractor shall construct and maintain at its own expense such temporary fences, gates, and other facilities as shall be necessary for the preservation of crops, control of livestock and protection of life and property.

Before cutting a fence, the Contractor shall take necessary precautions to prevent the straying of livestock and shall prevent the loss of tension in or damage to adjacent portions of the fence.

The Contractor shall comply with the requests of the landowner or lessee regarding leaving gates open or closed.

SR-29. SURVEY/STAKING

The Contractor shall employ a Land Surveyor licensed in the State of Washington and acceptable to the District Representative to perform all staking as required for the project. The District Representative will perform spot checking of staking.

The Contractor shall be responsible for creating offsets and the preservation of all survey staking. The Contractor shall re-establish, at his own expense, such surveys as may be required. The Contractor shall give the District 48 hours' notice prior to the need for survey data or field engineering services for any specific area.

SR-30. FLAGGING

Contractor shall provide trained and equipped flaggers to regulate traffic when construction operations encroach upon public traffic lanes. Contractor shall comply with all Washington State Department of Transportation (WSDOT) and Grant County traffic control requirements.

SR-31. SITE SECURITY REQUIREMENTS

The Contractor shall provide the District with a Site Security Plan for the District to review and approve. The Contractor shall be responsible for providing and maintaining adequate security measures for the Construction site throughout the duration of the project. All costs of providing site Security shall be included in the Total Bid Price. This includes, but is not limited to, securing the perimeter, controlling access, and protecting all personnel, equipment and materials.

A. Security Plan Submission

The Contractor shall develop and submit a comprehensive Security Plan to the District Security Department for review and approval no later than 30 days prior to the commencement of on-site work. The Security Plan shall detail site access controls, surveillance measures, emergency response procedures, and coordination with local law enforcement, as applicable.

B. Incident Reporting

The Contractor shall promptly report all security related incidents, breaches, or suspicious activities to the District Representative and within 24 hours of occurrence. The reports shall include a description of the event, actions taken, and any follow-up measures implemented.

C. Compliance

The Contractor shall comply with all applicable Federal, State, and local Laws, as well as the District's security policies and procedures.

SR-32. LOCAL CONDITIONS

If private land is used by the Contractor, for camp or other construction purposes, the Contractor shall make all necessary arrangements and shall pay all rental or other costs connected therewith. The location, construction, maintenance, operation and removal of the Contractor's camps, and of the camps or establishments of all persons or parties in the vicinity operating or associated with the Contractor, shall be subject to the approval of the District Representative. The Contractor shall be responsible for moving all material to the location of installation.

SR-33. SANITARY FACILITIES

The Contractor shall provide such facilities as required by the O.S.H.A. Location of these facilities shall be acceptable to the District Representative. The Contractor shall assume all costs associated with these facilities. See Section SR-12.

SR-34. OPTICAL - WIRE SPLICING AND TESTING

The Contractor shall employ a qualified fiber optic splicer to perform Optical Wire splicing and testing as identified in the Contract 130-12856HR Technical Specifications. Testing shall occur upon Contractor receipt of the fiber reel, and prior to installation.

SR-35. MATERIAL TESTING

The Contractor shall employ a certified testing technician to perform material testing (ie: concrete, soil compaction, etc.) as identified in the Contract 130-12856HR Technical Specifications. All test results shall be provided to the District.

SR-36. WEED MANAGEMENT

The Contractor shall mitigate any vegetation within the site perimeter as detailed in Exhibit "O".

SR-37. NORTH FENCE AND GATE

The Contractor shall supply and install a gate at the Northern fence line (per plan in Exhibit "Q"). The Contractor shall match existing fencing details as shown in the bid set, Exhibit "Q" and Construction Specifications. The Contractor shall provide shop drawings to District for approval before ordering materials and proceeding with Construction.

SR-38. TEMPORARY FENCING

The Temporary Fencing has been removed from the Scope of Work. The Contractor will not consider this in their Bid. See drawing title Exhibit "P" – Temporary Fencing.

CONTRACTOR SAFETY REQUIREMENTS

CS-1. PURPOSE

These Contractor Safety Requirements contain safety requirements that are in addition to those specified in the General Conditions. Section CS-2 applies to all work, whereas, Section CS-3 is specific to specialized types of work. To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements stated in the Specific Requirements and/or Technical Specification sections where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

CS-2. GENERAL

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.

- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
 - 1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
 - 2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
 - 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
 - 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section GC-4.

- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.

1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
 2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
 3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.
- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- G. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide

a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.

2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

4. **REQUIRED COMMUNICATION PRIOR TO ENTERING SUBSTATIONS**

The District Policy SA-DAW-PRG-420 Substation Entry will be provided to the Contractor. The Contractor and anyone entering the substation must adhere to this policy. The Contractor is required to communicate the information outlined in the "Check In" and "Check Out" procedure to the appointed District Inspector.

The District Inspector is to communicate to the District's Operators of all personnel that will be accessing entry into the Substation.

a. "Check In" Procedure

1. Shall be completed immediately upon completion of the Substation Physical Entry/Departure Procedure.
2. "Check-In" is accomplished by contact the Control Center and detailing entrants name(s), vehicle numbers and purpose of entry.

b. "Check-Out" Procedure

1. Shall be done during departure process.
2. "Check-Out" is accomplished by contacting the Control Center and detailing entrants name(s), vehicle numbers and status of tasks.

- H. District Rescue Team and Relation to Contractor Emergencies and Back Shift Operations
When District Rescue Team is Not Present: Contractors shall be required to submit an Emergency Plan that covers first response and rescues. This is required to be submitted for approval by the District Representative prior to work starting. Contractors are encouraged to familiarize themselves with District First Responder and Rescue Team capabilities. District Response Teams may not be available during all work hours and typically are not available on off-shifts, weekends, and District holidays. Contractors choosing not to provide their own response personnel must include a process that does not rely on the District in the event District Response Teams are not available.
- I. The Contractor shall have a dedicated safety professional on the job site anytime work is being performed. The dedicated safety professional shall have an associate or bachelor degree in Occupational Health and Safety, an OSHA Training Institute Certification, or educational equivalent. At the District Representative's discretion, five years' experience as a safety professional may be substituted for educational requirements.
- J. Contractor shall ensure all crew members, including Subcontractors, performing work are OSHA 10 certified.

- K. The Contractor shall have a designated safety representative on the job site any time work is being performed. The designated safety representative shall have a minimum of OSHA 30 training.
- L. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract. Such updated information will be provided on the attached Exhibit "L", Contractor Safety Request for Information Form.
- M. Office Work: Contractor personnel who perform work in an office environment at premises owned, leased, possessed, or controlled by the District shall be required to follow at a minimum the following safety and security requirements. This work includes but is not limited to professional services and consulting, technology-related tasks, and training services. Work activities may include working at a desk, attending meetings, touring facilities, and similar activities.
 - 1. Access: The Security Department administers physical access to District facilities. Contractor personnel shall be issued an ID badge or visitor badge to provide access to work areas as needed per Sections SR-16 and SR-17. Workers without authorized access to an area must be escorted at all times. Any person with authorized access may serve as an escort.
 - 2. Emergency Preparedness: All Contractor personnel, when entering a facility or work area, shall determine the locations of emergency exits, fire extinguishers, first aid kits, AED, and gathering points in case of evacuation.
 - 3. Housekeeping: Contractor personnel shall keep desks, cubicles, meeting rooms, and all other working areas free from clutter and tripping hazards. Work areas shall be cleaned after use according to applicable guidelines posted by the District in such work areas.

CS-3. SPECIALIZED WORK

- A. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
- B. Fabricated Lifting Devices: All fabricated lifting devices including materials handling and storage devices, below the hook lifting devices, cranes, derricks and rigging used in the work shall comply with the most current version of the applicable sections of WAC 296-24 Part D, ASME B30.30 Below the Hook Lifting Devices, ASME BTH-1 Design of Below the Hook Lifting Devices Part F and Part L and the District's Fabricating, Repairing, or Modifying Lifting Devices In-House Policy (APPSA-PP-STD-100). Where a conflict may exist between the standards, codes and District Policy, the stricter interpretation of the rules shall apply. At a minimum, lifting devices shall be designed with a factor of safety of 5 to the ultimate material strength. Devices shall be load tested to 200% of the rated working load. Devices carrying personnel shall be designed and the design shall be checked by licensed professional engineers. All custom designs shall be approved and load test witnessed and approved by the District Representative before they are permitted for use on District facilities. The above is the most stringent of WAC, ASME and District requirements.
- C. Crane Operator Certification Requirements – NCCCO: Contractor personnel who operate the District's cranes shall be certified under the National Commission for the Certification of

Crane Operators (NCCCO) program. This includes but is not limited to overhead cranes, mobile cranes and boom trucks. Contractor shall be required to present current certification cards for approval by the District Representative prior to equipment operation. The above is a District requirement.

- D. Crane Inspections: Contractor personnel who perform crane inspections shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Inspectors shall be required to present a current certification card for approval by the District Representative prior to performing duties. The above is a District requirement.
- E. Rigging Inspections: Contractor personnel who perform rigging inspections or other lifting and handling of large components shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Riggers shall be required to present a current certification card for approval by the District Representative prior to performing duties. At the District Representative's discretion, a Millwright's card may be substituted for NCCCO certification after review and approval of the Millwright's rigging certification program. The above is a District requirement.
- F. Cord Covers to High Traffic Areas: Contractors shall be required to protect all electrical cords, air lines, hydraulic hoses, water hoses, and other cords, hose, cables, and pipes to prevent them from being driven over or creating tripping or other hazards including at a minimum but not limited to utilizing cord covers in high traffic areas and installing temporary barriers when necessary to prevent foot or vehicle traffic. The above is a District requirement.
- G. Energized Vault Work: All work that takes place regarding underground electrical installations shall comply with the most current version of WAC 296-45 which includes all types of electrical vaults and manholes. When this work involves installing, removing, terminating or switching, personnel must do so without entering the energized vault. To further clarify, all live line tools placed in the energized vault must be properly tested and comply with the requirements set forth in the most current version of WAC 296-45. The above is a Code requirement.
- H. Scaffold Design, Erection and Inspection: All scaffold work shall comply with the most recent version of WAC 296-874. The Contractor shall ensure all scaffolds are designed by a qualified person and constructed according to that design. Only qualified personnel shall erect, move, dismantle and/or alter scaffolds. Qualified erectors shall be supervised by a competent person. Scaffold inspections shall be performed by a competent person before each work shift and after anything occurs that could affect the scaffold's structural integrity. The above is a Code requirement.
- I. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.

J. Temporary Traffic Control: When work activities occur within or adjacent to District access roads, the Contractor shall follow the guidelines for Temporary Traffic Control Planning as specified in the current Manual on Uniform Traffic Control Devices. The plan shall be reviewed and approved by the District Representative prior to implementation. The above is a Code requirement.

K. Contractor Hazardous Materials Communication: Due to the age of the District facilities there are known materials used in construction that are now classified as hazardous materials such as lead and asbestos. The District Representative shall provide the Contractor with a list of the known hazards in the work area. This list is not comprehensive. The Contractor shall be aware of possible hazards. If the Contractor identifies a possible hazardous material such as lead, asbestos, SF-6 residue and/or hexavalent chromium, all work in that area must stop until the material is tested and identified. The Contractor shall notify the District Representative immediately upon identification of possible hazardous material.

If the material is identified as non-hazardous, work may resume once the materials status has been communicated to the District Representative and Contractor's employees.

If the material is a hazardous substance, proper protocols compliant with regulation must be followed. The above is a Code requirement.

L. Caution and Danger Barriers:

1. Caution Tape or Rope - Yellow will be used to demarcate areas with low safety hazards. Contractor employees may enter the barricade area only after identifying the hazard enclosed by the Caution barrier tape/rope.
2. Danger Tape or Rope – Red will be used to demarcate areas of imminent danger. An employee may not enter the area barricaded with Danger barrier tape/rope without consent of the barricade attendant or tape tag holder.

Contractors that will be introducing hazards as part of their work must barricade the hazardous area to prevent employees from entering the area in accordance with District Policy SA-DW-PRG-430. The above is a Code requirement.

M. Confined Spaces: Contractor shall comply with District Policy SA-DW-PRG-080. The purpose of a Permit-Required Confined Space Program is to ensure safe practices are utilized prior to and during all construction work activities in confined spaces at District work locations. The District's program is designed to prevent personal injuries, illness, and fatalities in confined spaces. As an employer, the District has developed and implemented this document to meet the written program requirements specified in OSHA regulation 29 CFR 1926 subpart AA and WAC 296-809, the Confined Spaces in Construction Standard. The above is a Code requirement.

N. Qualified Electrical Worker: For purposes of complying with Washington State law and the District's Electrical Safety Program, a Qualified Electrical Worker is defined according to the definition in WAC 296-45. The above is a Code requirement.

O. Authorized Employee: For purposes of complying with Washington State law and the District's Electrical Safety Program, an Authorized Employee is defined according to the definition in WAC 296-45. The above is a Code requirement.

P. Hot Work Permits and Fire Watch Requirements

1. Safe work practices and appropriate PPE are required when doing energized electrical work related to testing, troubleshooting, and/or electrical measurements.
2. Contractor employees doing energized electrical work are required to wear fire-resistant (FR) work clothes including under garments and use appropriate PPE for the rated level of electrical hazard.
3. Contractor employees shall not reach blindly into areas that might contain live parts.
4. Contractor employees shall not enter spaces containing live parts unless the illumination in that space is sufficient to allow the work to be performed safely.
5. Contractor employees shall not wear conductive articles of jewelry or clothing (such as, but not limited to watches, rings, bracelets, necklaces, exposed keys, clothes with conductive threads, metal headgear and metal eyeglass frames) when working on or near energized and exposed electrical conductors or circuit parts.
6. To prevent accidental contact with live parts, conductive material, tools and equipment (such as, but not limited to metal pipes, tubes, hoses, tapes, pulling lines, tools, chains, ladders and scaffolding) shall not be used while working on energized and exposed electrical conductors or circuit parts.
7. Contractor employees working on energized and exposed electrical conductors or circuit parts shall use protective shields, barriers, or barricades and observe all safety boundaries that have been established.

Q. Power Delivery Clearance and Lock Out/Tag Out: Contractor employees shall successfully complete the Power Delivery switching and clearance training program prior to being deemed qualified by the District to lock out or tag out machines or equipment. Contractor employees trained and certified as qualified shall be authorized to switch devices and install safety tags for which they are qualified, under the direction of the District's dispatcher, as needed. Contractor employees shall follow the same rules for switching and clearances that apply to District employees as outlined in the District's Switching, Tagging and Clearance Procedures.

If a Contractor employee requests a clearance from the District dispatcher for work to be performed on the District's electric system and the employee is deemed qualified, then the clearance may be issued directly to the requester in accordance with the same rules governing District employees. If the requesting Contractor employee is not deemed qualified, then the clearance shall be issued to a District employee who shall act as the clearance holder and oversee all work performed. The above is a combination of Code and District requirements.

R. Safety Procedures for Transformer Oil Fill

1. General
 - a. The Contractor shall be aware of the hazards when working in close proximity to electrical circuits and accordingly shall take all necessary precautions to prevent injury and loss of life of employees and damage to equipment and property. All hazardous areas and/or operations existing or created by the Contractor must be taken into account and the Contractor shall take whatever precautionary measures are required and assume all risks from damage claims that arise, due to Contractor's operations.

- b. The Contractor shall take extra precautions to prevent nail puncture accidents by removing nails from scrap lumber, etc., at the worksite.
- c. The Contractor is advised that the transformers may be infested with insects. If the Contractor wishes to eliminate these insects, the method used must be approved by the District beforehand. Under no circumstances will the Contractor use a pesticide that is not approved by the District.
- d. Neither the Contractor's or District's crews shall be allowed to work on top of a transformer while it is under full vacuum. Partial access to the transformer may be required during vacuum leak testing, and tending to the Refrigerated Vapor Trap (RVT), but extreme caution shall be exercised by all personnel.
- e. During times when the RVT is in use, the Contractor shall ensure that adequate safety precautions are followed, including at least two personnel on-site. Specifically, during RVT operations, fumes from the cryogenic agents may create a hazardous environment which the Contractor shall monitor and control.
- f. If entry inside a transformer is necessary for any reason, the Contractor shall follow Permit-Required confined space entry procedures, as defined by Washington Administrative Code 296-809. The Contractor shall provide all personnel and equipment necessary to comply with the procedures and shall coordinate this work with the District Representative.
- g. All employees of the Contractor, Subcontractor or sub-supplier must strictly adhere to the District's "No Smoking" restrictions where imposed. Additionally, no smoking shall be allowed within a 50 foot radius of the transformers and the temporary oil storage tank, during oil processing, before, during, or after the mobilizing and demobilizing phases.

2. Electrical

Due to the District's concern for safety, the transformers shall be electrically grounded during all work performed by the District and the Contractor.

3. Fire

- a. The Contractor shall exercise all reasonable caution to prevent fires. Flammable rubbish, especially accumulations of paper, excelsior, and oil-soaked materials, shall be removed from the premises and disposed of as soon as possible. Gasoline, alcohol, oil, solvents, and other flammable substances shall be kept in approved safety containers. All protective covers, drop cloths, and tarpaulins are to be flameproof.
- b. The Contractor shall supply and keep adequate fire extinguishing equipment on hand at all times, and in close proximity to the equipment being worked on.

4. Personal Protective Equipment

- a. Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with proper protective clothing as required by OSHA, WISHA, and/or other regulatory agencies. This protective clothing shall be worn at all times when working around the oil processing equipment and when work inside of the transformer is required.
- b. Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with ear plugs. Ear plugs shall be worn at all times when working

around the oil processing equipment and District marked/designated areas requiring ear protection.

- c. The Contractor shall provide a correctly calibrated oxygen level meter for use during confined space entry work inside of the transformer. The Contractor shall be responsible for providing and using a correctly calibrated oxygen level meter during RVT operations.
- d. The Contractor shall take adequate precautions to prevent injury and loss of life from falling, while working on top of the transformers. The Contractor is advised that wind conditions can change suddenly and that severe gusts up to 50 mph or more may be encountered when working outdoors. Full-body harnesses and lanyards, in accordance with OSHA regulations, are required when working on top of the transformer.

5. Emergencies

If an emergency situation is created or observed by the Contractor at Wanapum or Priest Rapids dams or on Grant PUD land within approximately ½ mile proximity of either dam, 911 shall be called immediately. After 911 is notified, the nearest control room shall be notified (Note: if a 911 call is dialed from a Grant PUD phone inside Wanapum or Priest Rapids dams, the respective control room will receive the call and dispatch emergency services). The District's Dispatch Center should be subsequently contacted for electric system emergencies All other emergencies shall be routed to the District's Security Operations Center (DSOC).

To contact the Wanapum Control Room from:

- a. A District telephone, dial ext. 2518.
- b. An outside telephone line, dial 1-509-754-5088 ext. 2518.

To contact the Priest Rapids Control Room from:

- c. A District telephone, dial ext. 2718.
- d. An outside telephone line, dial 1-509-754-5088 ext. 2718.

The Wanapum and Priest Rapids control rooms are staffed 24 hours per day.

To contact the Dispatch Center from:

- e. A District telephone, dial ext. 2237 or 2238.
- f. An outside telephone line, dial 1-800-216-5226.

The Dispatch Center is manned 24 hours per day.

To contact the District's Security Operations Center (DSOC):

- g. A District telephone, dial ext. 2014.
- h. An outside telephone line, dial 509-766-2538.

6. Security

The District's check-in/check-out procedure must be followed by the Contractor's employees and Subcontractor(s) whenever they are at the worksite. This procedure will be explained to the Contractor at the pre-work conference.

S. Drilling, Cutting, Excavating Above Cables/Conduits

When penetrating work (drilling, cutting, excavating) will be greater than 1.5 inches into surfaces which may conceal electrical conduits or cables, the contractor will follow District Electrical Safety Program requirements, which is available on the Grant PUD Contractor Training website: <https://www.grantpud.org/for-contractors>. The above is a combination of Code and District requirements.

TECHNICAL SPECIFICATIONS

The Technical Specifications will be posted as a separate document on the District's ProcureWare website.

EXHIBIT "A" – BID FORM

COMPANY NAME OF BIDDER: _____
(Full Legal Name)

TO: Public Utility District No. 2
of Grant County, Washington
154 A Street SE Building E
Ephrata, Washington 98823

The undersigned has examined the site, plans and specifications, laws and ordinances governing the improvements contemplated. In accordance with the terms and provisions in the foregoing, the following price is tendered as an offer to perform the work, complete in place and ready for satisfactory operation.

As evidence of good faith, a certified check, Cashier's Check or a Bid Bond in an amount not less than 5% of the Total Bid Price is attached hereto. The undersigned understands and hereby agrees that should the following offer be accepted and the undersigned should fail or refuse to enter into a Contract and furnish the required Payment and Performance Bond and insurance, the undersigned's Certified Check, Cashier's Check or an amount equal to 5% of the Total Bid Price shall be forfeited to the District as liquidated damages.

The Total Bid Price (calculated total of Bid Item Prices 1 through 2) shall be used in the Bid Evaluation. A price must be placed on each blank or the Bid shall not be considered. In case of an error in addition, the correct total of the Bid Item Prices shall prevail.

Bid Item No.	Description	Unit Type	Bid Item Price
1	Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid	Lump Sum	\$
2	Apprenticeship Utilization Goals Met. Limited to 1% of Total Bid Price (not to exceed \$100,000.00). See Section GC-12.	Lump Sum	\$
TOTAL BID PRICE			\$

The Total Bid Price includes the cost of insurance and the Payment and Performance Bond required by Contract Documents but do not include Washington State and Local Taxes.

Bidder understands and agrees to the Insurance requirements of Section GC-18. Yes _____ No _____

Payment shall be made in accordance with Section GC-12. Payment shall be made by percentage of work completed satisfactorily based on the approved Schedule of Values.

Bidder has enclosed a Cashier's Check, Certified Check or Bid Bond in accordance with Instructions to Bidders Section 10. Yes _____ No _____

Bidder understands it is their responsibility to determine the locality of the work and to confirm the appropriate classification of work and most current version of the prevailing wage rates are utilized in the preparation of their Bid (see Section GC-17). Yes ____ No ____

All Bidders shall attend a mandatory site inspection in accordance with Instructions to Bidders Section 17. **Those Bidders not represented shall not be allowed to bid on this Contract.**

Bidder shall complete all work in accordance with the requirements of Section SR-2. Yes ____ No ____
Please see Instructions to Bidders Section 7 for Bids that take exception to these requirements.

Bidder understands and agrees to the Contractor Safety Requirements specified in these Contract Documents. Yes ____ No ____

Please see Instructions to Bidders Section 7 for Bids that take exception to these requirements.

Bidder shall submit the names of Subcontractors who shall perform the HVAC, plumbing and electrical work, and structural steel and rebar installation, or name itself in the table below, or their Bid shall be rejected. In accordance with RCW 39.30.060, the Subcontractors (or Bidder if naming itself) identified in the table below as performing the HVAC (heating, ventilation, and air conditioning), plumbing and electrical work shall be licensed at time of Bid submittal and Bidder shall provide proof of such licenses with its Bid. See Instructions to Bidders Section 8.A.

Name	Address	Phone	Type of Work	Percent of Bid
			HVAC	
			Plumbing	
			Electrical Work	
			Structural Steel Installation	
			Rebar Installation	

Bidder shall ____ shall not ____ be using Subcontractors for portions of the work other than HVAC, plumbing and electrical work, and structural steel and rebar installation. Bidder shall provide names, experience and qualifications of Subcontractors upon request by the District Representative.

Bidder has been disqualified from bidding on any public works contracts under RCW 39.06.010 or 39.12.065(3). Yes ____ No ____ **MUST BE FILLED IN**

Bidder (full legal name):	
Street Address:	
Mailing Address:	
City, State, and Zip Code:	

Phone:			
Email:			
State Of Incorporation:		If not WA, does Bidder have a physical office located in the state of WA?	Yes ___ No ___ N/A ___
The District uses DocuSign to sign the final Contract Form following Contract Award. Please provide the following information for the person who will be signing the final Contract Form in the event you are the successful Bidder. Name: _____ Title: _____ Email: _____			
Bidder Responsibility Criteria (see Instructions to Bidders Section 9)			
Contractor's License No. (RCW 18.27, RCW 18.106, RCW 70.87, or RCW 19.28)			
Washington State Unified Business Identifier (UBI) No. / Washington State Department of Revenue State Excise Tax No. (Title 82 RCW)			
Industrial Insurance L&I Account ID (Title 51 RCW)			
Washington State Employment Security Department No. (Title 50 RCW)			
Individual, Partnership, Joint Venture, or Corporation?			
If a co-partnership, provide the name of the firm under which business is transacted.			
The Bidder hereby certifies that, for the one-year period immediately preceding the date of this Bid solicitation, the Bidder has not been found out of compliance by the Washington State Apprenticeship and Training Council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW.			
The Bidder hereby certifies that, within the three year period immediately preceding the date of this Bid solicitation, that the Bidder is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.			
The Bidder hereby certifies that they have attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW. Yes ___ No ___ If no, are you on the Public Works Training Exemption List? Yes ___ No ___			
The Bidder hereby certifies that if awarded the public works Contract, each subcontractor, at the time of subcontract execution, shall meet the responsibility criteria listed in RCW 39.04.350(1) and possess an electrical contractor license, if required by RCW 19.28, an elevator contractor license, if required by RCW 70.87, or a plumbing contractor license, if required by RCW 18.106. Yes ___ No ___			

☐ We hereby certify that we are not required to have a Washington State UBI No. or State Excise Tax No. for this work.

Attached hereto is the Bid proposal and all Bidder's Data required in support of this Bid.

Addendum Nos. (list all individually) _____ have been received and have been considered in preparing this Bid.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature: _____ Title: _____

Name (Print): _____ Date: _____
Authorized Representative

Location or Place Executed (City and State): _____

Note: Failure to sign the Bid Form above shall result in rejection of the Bid. Digital signatures are not allowed on the Bid Form.

EXHIBIT "B" – BID BOND

KNOW ALL MEN BY THESE PRESENTS: That we _____ (hereinafter called "the Principal"), as Principal, and _____ duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of Washington, as Surety, are held and firmly bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON (hereinafter called "the Obligee") in the penal sum of \$ _____ lawful money of the United States of America, for the payment of which, well and truly to be made, we hereby bind ourselves and each of our successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the Obligee shall make any award to the Principal for _____ according to the terms of the proposal or Bid made by the Principal therefore, and the Principal shall duly make and enter into a contract with the Obligee in accordance with the terms of said proposal or Bid and award and shall give bond for the faithful performance thereof with the _____, as Surety, or with other Surety or Sureties approved by the Obligee, or if the principal shall, in case of failure so to do, pay to the Obligee the penal amount of the deposit specified in the call for Bids, then this obligation shall be null and void; otherwise it shall be and remain in full force and effect, and the Surety shall forthwith pay and forfeit to the Obligee, as penalty and liquidated damages, the amount of this bond.

IN WITNESS WHEREOF, said Principal and said Surety have caused these presents to be duly signed and sealed this _____ day of _____, 20__.

PRINCIPAL

SURETY

Signature

Signature

Print Name

Print Name

* Bidder shall attach Power of Attorney for person signing on behalf of Surety.

EXHIBIT “C” – CONTRACT FORM

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Full Legal Name of Contractor (“Contractor”);

WITNESSETH:

The parties hereto for the considerations set forth in the Contract Documents agree as follows:

1. **SCOPE OF WORK** - The Contractor agrees to furnish all, materials, equipment, machinery, tools, plant, labor, and transportation in the manner and form provided by the Contract Documents 130-12856HR made a part hereof, entitled Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid.
2. **COMPLETION** - The Contractor shall perform the work within the times required by the Contract Documents, failure to do so shall result in damage to the District. Liquidated damages for late completion of any work shall be applicable as provided in Section SR-2. Any such liquidated damages shall be deducted from any money due the Contractor. No excuse for failure to timely perform shall be recognized except as specified in Section GC-24.
3. **PAYMENT** - The District agrees to pay the Contractor for the work herein to be performed in the sum of \$ _____, plus applicable Washington State Sales Tax in accordance with the Contract Documents.
4. **PAYMENT AND PERFORMANCE BOND** - The Contractor shall furnish in favor of the District, a Payment and Performance Bond as required by the Contract Documents, and this Contract shall not obligate the District until such Payment and Performance Bond has been tendered.

The parties to this Agreement have caused it to be executed on the dates indicated below. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Public Utility District No. 2
of Grant County, Washington

Full Legal Name of Contractor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT "D" – PAYMENT AND PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That _____
 of _____
 , (hereinafter called the "Principal"), and _____,
 as Surety, are jointly and severally held and bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
 COUNTY, WASHINGTON (hereinafter called the "District"), in the sum of \$ _____ for the
 payment of which we jointly and severally bind ourselves, our heirs, executors, administrators and assigns,
 and successors and assigns, firmly by these presents.

This bond is executed pursuant to and compliance with Chapter 39.08, Revised Code of
 Washington, and all rights and remedies under this bond shall be determined in accordance therewith.

THE CONDITION of this bond is such that, WHEREAS, the said Principal herein, executed a
 certain contract with the District, by the terms, conditions and provisions of which contract the said
 Principal herein, agrees to furnish all material and do certain work, to-wit: _____ per the Contract
 Documents made a part of said Contract, which Contract as so executed is hereunto attached, is now referred
 to and by reference is incorporated herein and made a part hereof as fully for all purposes as if here set forth
 at length.

NOW, THEREFORE, if the Principal herein shall faithfully and truly observe and comply with the
 terms, conditions and provisions of said Contract in all respects, including all guarantees and warranties
 arising thereunder, and shall well and truly and fully do and perform all matters and things by it undertaken
 to be performed under said Contract, upon the terms proposed therein and within the time prescribed therein,
 or within such extensions of time as may be granted under said Contract and shall hold the District harmless
 from all costs and damages (including reasonable legal fees) which it may incur by reason of any failure to
 do so, and shall fully reimburse and repay the District for all expense which it may incur in making good
 any such failure of performance on the part of the Principal, and shall pay all laborers, mechanics, and
 subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors,
 with provisions and supplies for the carrying on of such work and shall fully reimburse the District for any
 excess in cost of construction over the cost set in the Contract and any amendments thereto, occasioned by
 any default of the Principal under the Contract and any amendments thereto, then this obligation shall be
 null and void, but otherwise shall remain in full force and effect.

No prepayment or delay in payment and no change, extension, addition, or alteration of any
 provision of the Contract agreed to between the Contractor and the District, and no forbearance on the part
 of the District, shall operate to relieve surety from any liability on this bond, and consent to make these
 alterations without further notice to or consent by the surety is hereby given.

The Surety for value received agrees that no change, extension of time, alteration or addition to the
 terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under
 the Contract shall in any way affect its obligation on this bond, except as provided herein, and waives notice
 of any change, extension of time, alteration or addition to the terms of the Contract or to the work performed.
 The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase
 the total amount to be paid to the Principal shall automatically increase the obligation of the Surety on the
 bond and notice to Surety is not required for such increased obligation.

Dated this _____ day of _____, 20__.

"PRINCIPAL"

Full legal company name

Signature

Print name

"SURETY"

Full legal company name

Signature

Print name

Address of local office and agent, and home
offices of Surety Company:

* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

EXHIBIT "E" – CHANGE ORDER

NO. ____

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

- A. Description of Change:
- B. Time of Completion: The revised completion date shall be _____. Liquidated damages, if any, shall be assessed based on the revised completion date.
OR
The completion date shall remain _____.
- C. Contract Price Adjustment: As a result of this Change Order, the 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 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

Full Legal Name of Contractor

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

EXHIBIT "F" – DISTRICT INSTRUCTIONS

No. _____

Contract No.:	130-12856HR	Drawing No. (if applicable):	
Project Name:			

This Instruction is issued in accordance with the terms and conditions of the Contract Documents as:

- ☐ 1. An interpretation of Contract Documents, or
- ☐ 2. An order to proceed immediately with minor changes not affecting Contract Price or time for completion of the work.

INSTRUCTION:

DO NOT PROCEED with the Instruction 1 or 2 above if you believe this Instruction shall provide the basis for a claim or increase in the Contract Price or time for completion of the work. By signing this Instruction, Contractor hereby agrees that as a result thereof, there shall be no change in Contract Price or time of completion and waives any claim relating thereto.

RECEIPT ACKNOWLEDGED AND INSTRUCTION ACCEPTED (unless CCOP is attached):

Public Utility District No. 2
of Grant County, Washington

Full Legal Name of Contractor

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

- ☐ 3. An order to proceed with preparation and submittal of Contractor Change Order Proposal Form (CCOP, Exhibit "G") immediately for change affecting Contract Price or time for completion of the work.

SUBMIT AN ITEMIZED PROPOSAL for changes in the Contract Price or time for completion of the work if you believe Instruction 3 is a modification to the Contract Documents that affects Contract Price or time for completion of the work. Within three days, the Contractor must submit a CCOP or notify the District Representative, in writing, of the date on which the CCOP submission will be completed.

EXHIBIT "G" – CONTRACTOR CHANGE ORDER PROPOSAL

No. _____

Contract No: 130-12856HR

Date: _____

Drawing No.: _____

To: Public Utility District No. 2 of Grant County, Washington

- A. Description of Proposal: (attach separate document/pages/drawings, etc., as needed)
- B. Proposed Contract Time of Completion Adjustment: (if any)
1. Describe impact of proposal on Contract time of completion or milestone(s) (attach separate pages, documents as needed).
 2. Provide reason/justification for any change to the Contract completion date or required milestone date(s) including a description of circumstances leading to the event that required this proposal (attach separate pages, documents as needed).
 3. Provide all supporting data that will be helpful to the District in evaluating the proposed schedule change (attach separate pages, documents as needed).
 4. Date event occurred (if applicable) that required this proposal as well as attaching a revised project schedule showing the impact (if any) of the proposed schedule change.
- C. Proposed Contract Price Adjustment: (if any)
1. Indicate proposed increase/decrease to the Contract lump sum or Contract Price.
 2. For any proposed Contract Price adjustment, Contractor shall provide a detailed cost breakdown, including all labor categories, hours, rates, material quantities, and equipment hours and charges (attach separate pages, documents as needed).
- \$ _____ (lump sum/not to exceed)
- D. Impact to project if this Proposal is not accepted: (if any)

Note: The District shall not be liable for any payment to Contractor, or any claims arising therefrom, for any proposal, until such time as a Change Order has been approved and authorized, in writing, by the District (if ever), in accordance with Contract Section GC-11. Contractor understands and agrees that any information contained herein is in no way binding on the District or is submitted only for the purpose of evaluation by the District.

Full Legal Name of Contractor

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT "H" – CERTIFICATE OF COMPLETION AND RELEASE

FROM: _____
(Contractor)

TO: Public Utility District No. 2 of Grant County, Washington
(District)

Contract No. 130-12856HR, entered into the _____ day of _____, 20____.

Between Public Utility District No. 2 of Grant County, Washington and
_____ of _____, _____ for

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned hereby certifies that there is due from and payable by the District to the Contractor under the Contract and duly approved Change Orders and modifications the balance of \$ _____.

2. The undersigned further certifies that in addition to the amount set forth in paragraph 1, there are outstanding and unsettled the following items which he claims are just and due and owing by the District to the Contractor:

- a. _____
- b. _____
- c. _____
- d. _____

(Itemize claims and amounts due - If none, so state)

3. The undersigned further certifies that all work required under this Contract including work required under Change Orders numbered _____ has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this Contract, and that the wage rates paid by the Contractor and all Subcontractors were in conformity with the Contract provisions relating to said wage rates.

4. Except for the amounts stated under paragraphs 1 and 2, hereof, the undersigned has received from the District all sums of money payable to the undersigned under or pursuant to the above mentioned Contractor or any modification or change thereof.

Certificate of Completion and Release

Page 2

5. That in consideration of the payment of the amount stated in paragraph 1 hereof the undersigned does hereby release the District from any and all claims arising under or by virtue of this Contract, except the amount listed in paragraph 2 hereof; provided however, that if for any reason the District does not pay in full the amount stated in paragraph 1 hereof, said deduction shall not affect the validity of this release, but the amount so deducted shall be automatically included under paragraph 2 as an amount which the Contractor has not released but shall release upon payment thereof. The Contractor further certifies that upon the payment of the amount listed in paragraph 1, hereof, he shall release the District from any and all claims of any nature whatsoever arising out of said Contractor or modification thereof, and shall execute such further released or assurances as the District may request.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature: _____ Title: _____

Name: _____ Date: _____
Authorized Representative

Location or Place Executed (City and State): _____

EXHIBIT "I" – COLLECTIVE BARGAINING AGREEMENT, SECTION 2.5

2.5 Contracting and Job Security

2.5.1

The District shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the District, that such contractor or subcontractor shall conform to the Contract provisions of Washington State law affecting Public Utility District at the time of the contract award, except that contracts let in accordance with Section 2.5.2 shall require adherence to current wage rates. The District shall require contractors to furnish the District with the rates of wages and other employee benefits.

2.5.2

For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates, employee benefits and working conditions shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment shall be furnished to the Union by way of Contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3

Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4

It is recognized by both the Union and the District that a stable total work force is desirable. To this end, the District shall not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological change, reductions shall be made by attrition when reassignment is not feasible. Employees so affected shall not lose their established pay rate.

EXHIBIT "J" – BOND IN LIEU OF RETAINAGE

KNOW ALL MEN BY THESE PRESENTS, that we _____, as Principal, and _____, as Surety, are held and firmly bound unto Public Utility District No. 2 of Grant County, Washington (hereinafter "District"), and to any claimants eligible to file a lien or claim against monies retained by the District pursuant to RCW 60.28 (hereinafter collectively designated as "Obligees"), from monies earned by Principal in the sum stated below, to the payment of which, well and truly to be paid, we bind ourselves, or heirs, executors and successors jointly and severally, firmly by these presents.

The condition of the obligations is such that, whereas, the Principal and the District entered into a Contract for public improvement for _____ and, whereas, the Principal requested the District to accept this bond in lieu of all of the Contract retainage which the District would otherwise be required to withhold pursuant to Chapter 60.28 RCW; and whereas, the Principal has submitted to the District this bond executed by itself and the Surety, a corporation authorized to issue surety bonds in the State of Washington, in the penal sum of, \$ _____ lawful money of the United States of America, which is 5% of the Contract Price, and the Principal has requested the District, within 30 days of delivery of the bond to the District, to release the monies that would otherwise be retained; and the District has consented to permit Principal to file this bond in lieu hereof.

NOW, THEREFORE, if the Principal shall indemnify the Obligees from all loss which Obligees may suffer by virtue of the release of retainage to Principal on monies earned or to be earned, and shall pay any sum which Obligees may recover on their claims, together with costs of suit, reasonable legal fees, and interest to which the claimants may be entitled consistent with law and any claims, costs of suit and reasonable legal fees incurred by the District, then this obligation to be null and void, otherwise to be in full force and effect.

Provided; however, it is expressly understood and agreed:

1. This bond is given and accepted under and in accordance with the provisions of RCW 60.28 and is subject to all claims and liens and in the same manner and priority as set forth for retained percentages contained therein.
2. The laws of the State of Washington shall be applicable in the determination of the rights and obligations of the parties hereunder.
3. No right of action shall accrue upon or by reason hereof to, or for the use or benefit of anyone other than the Obligees herein identified.
4. The aggregate liability of the Surety under this bond for claims against this bond shall not exceed the penal sum of this bond unless change orders, changes in quantities of work or materials provided or other amendments to the Public improvement Contract increase the amount the District is required to retain, in which event the aggregate liability of the Surety shall increase by a sum equaling the increase in the Contract Price multiplied by 5%.
5. The Surety acknowledges that increases in Contract Price may occur as identified in the preceding paragraph. The Surety hereby waives any defense of lack of notice of said increases and the consequent increases in retainage released to the Principal against claims by the Obligees, or any of them.

6. In the event Principal fails at any time to pay persons protected under Washington law, RCW Chapter 60.28, or the District has reason to believe that the District or other Obligee has a claim against the retainage or for other good cause, the District claim against the retainage may, at its option, resume retaining from monies earned by Principal such amount as it would otherwise be entitled to retain had this bond not been accepted. Notwithstanding the District's resuming such retainage, this bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Principal. After Principal has paid protected persons or otherwise cured any default, the District may, at its option, again release retainage pursuant to this agreement. Notwithstanding any action the District may take pursuant to this section, Surety shall remain liable as set forth above. It shall be no defense, by Surety or Principal, against any claim under this bond that the District should have resumed retaining monies.

IN WITNESS WHEREOF, said Principal and Surety have hereunto set their hands and seal this ____ day of _____, 20__.

"PRINCIPAL"

Signature

Print Name

Attorney in Fact

"SURETY"

Signature

Print Name

Attorney in Fact

Address of local office and agent, and home
offices of Surety Company:

* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

EXHIBIT “K” – NOTICE TO PROCEED

To: _____

Project Name: _____

Date of Award: _____

You are hereby notified to commence work on the above referenced project on or before _____, 20__, and you are to complete the work as defined in Section SR-2. All required work, including labor and specified materials, shall be in full compliance with the terms and conditions contained in the Contract Documents referenced above, which are herein incorporated by this reference.

Public Utility District No. 2
of Grant County, Washington

BY: _____

Austin Clark
District Representative

DATE: _____

EXHIBIT “L” – CONTRACTOR SAFETY REQUEST FOR INFORMATION

Contractor Safety Request for Info

Contractor Company Name:		Prepared By:	
Address:		Title:	
		Phone #:	
		Date:	

Years in business under current company name: _____

PRINCIPAL BUSINESS ACTIVITY:

☐ Blasting/Painting	☐ Instrumentation	☐ Machining
☐ Cranes	☐ Lead/Asbestos Abatement	☐ Welding/Piping
☐ Excavation	☐ Cement Work	☐ Electrical
☐ Heavy Transport	☐ Drilling	☐ Other _____
☐ Labor Service	☐ General Construction	
☐ Scaffold	☐ Hydro-Blasting/Cleaning	

EXPERIENCE MODIFICATION RATE:

Provide the following health, safety, and environmental (HSE)-related information:

List your company's interstate or intrastate (if applicable) Experience Modification Rate (EMR) for the three (3) most recent years, as evidenced in workers' compensation insurance premiums:

Last Year: _____ 2-Years Ago: _____ 3-Years Ago: _____

Higher rates may require a corrective action plan for your company. Provide a copy of the letter from your insurance broker or insurance company evidencing the rate for the last 3 years.

- ☐ Check this box if your company has less than the minimum number of employees required by law to carry workers' compensation insurance or if your company does not have an EMR. (If checked, provide a letter from your insurance company stating this.)

Fill in the following information for the last three available years (use your OSHA 300 Logs)		Last Year	2-Yrs Ago	3-Yrs Ago
(A)	Number of fatalities each year			
(B)	Number of lost workday/restricted activity each year			
(C)	Recordable injury cases each year			
(D)	Total hours each year (do not include non-work time, even though paid)			
(E)	Injury incident rate = $\frac{\text{NO. OF RECORDABLE INJURIES} \times 200,000}{\text{TOTAL HOURS FOR YEAR}}$			

If your company experienced a work-related fatality during this period, provide a brief description of the causes and corrective actions taken. ☐ N/A

Has Washington State Labor & Industries, OSHA, EPA, or other State or Federal enforcement agency(s) cited and assessed penalties against your company for any "serious," "willful" or "repeat" violations in the past five years? ☐ Yes ☐ No

If "yes," attach a separate page describing the citations, including information about the dates of the citations, the nature of the violation, the project on which the citation(s) was or were issued, the amount of penalty paid, if any. If the citation was appealed to the agency Appeals Board and a decision has been issued, state the case number and the date of the decision.

NOTE: If you have filed an appeal of a citation and the agency appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.

Does your company have a written HSE program?	☐ Yes	☐ No
If yes, attach a copy or a summary of your program, including HSE policy you may have.		
Have an orientation program for new hires?	☐ Yes	☐ No
Have training program for newly hired/promoted foremen and supervisors?	☐ Yes	☐ No
Do you hold workplace HSE meetings for supervisors?	☐ Yes	☐ No
If yes, how often? ☐ Daily ☐ Weekly ☐ Biweekly ☐ Monthly ☐ As Needed		
Do you hold employee "toolbox" HSE meetings?	☐ Yes	☐ No
If yes, how often? ☐ Daily ☐ Weekly ☐ Biweekly ☐ Monthly ☐ As Needed		
Do you conduct pre-task HSE planning meetings with employees?	☐ Yes	☐ No
If yes, briefly describe the program format and/or attach a copy.		
Do you conduct workplace HSE inspections?	☐ Yes	☐ No
If yes, who conducts this inspection?		
How often? ☐ Daily ☐ Weekly ☐ Biweekly ☐ Monthly ☐ As Needed		

Is the company a member of any external HSE program that awards certificates of recognition?		☐ Yes	☐ No
If yes, list certificates of recognition your company has received within the past 3 years:			
Indicate elements included in your overall HSE program		HSE Program	New Hire Training
Corporate HSE Policy			
HSE Workplace Committee			
HSE Inspections and Audits			
Personal Protective Equipment			
Hazard Assessment and Communication			
Task Assignment Training			
Respiratory Protection			
Fall Protection			
Scaffolding and Ladders			
Perimeter Guarding			
Housekeeping			
Fire Protection/Prevention			
First- Aid Procedures/Facilities			
Emergency Procedures			
Toxic Substances/Hazard Communication			
Trenching and Excavation			
Signs, Barricades, and Flagging			
Electrical Safety			
Rigging and Crane Safety			
Safe Work Practices			
Safety Supervision			
Toolbox/Workplace HSE Meetings			
Incident Investigation/Reporting			
Abrasive Blasting Safety			
Substance Abuse			
Vehicle Safety			
Use of Compressed Gas Cylinders			
Welding/Cutting			
Medical Evaluation			

	Blood borne Pathogens			
	Employee Discipline			
	High-Pressure Water Cleaning			
	Hot Taps			
	Noise/Hearing Conservation			
	Heat/Cold stress			
	Incentives/Awards for HSE Achievements			
	Spill Prevention/Response			
	Dust Suppression			
	Wastewater/Storm Water Management			
	Hazardous Waste and Solid Waste Management			
	Equipment Emissions			
	Wetlands/Sensitive Habitats			

THIS INFORMATION MUST BE FURNISHED TO GRANT PUD PRIOR TO THE BIDDING OF ANY CONTRACT OR ONSITE LABOR

For further information or assistance in meeting these requirements, please contact the designated Grant PUD District Representative.

REVIEW/APPROVAL SIGNATURES GRANT PUD USE ONLY	
REQUIRED SIGNATURE	
SAFETY: _____ DATE _____	☐ RECEIVED ☐ FURTHER REVIEW
DISTRICT REP. _____ DATE _____	

EXHIBIT “M” – APPRENTICE UTILIZATION PLAN

The Apprentice Utilization Plan will be posted as a separate document on the District’s ProcureWare website.

EXHIBIT “N” – DISTRICT SUPPLIED MATERIAL

Exhibit “N” – District Supplied Materials will be posted as a separate document on the District’s ProcureWare website. Anything that is not listed in this Exhibit, is the responsibility of the Contractor to Procure. See Section SR-3.

EXHIBIT “O” – WEED MANAGEMENT

Contractor is responsible for weed management within the red area throughout the duration of the Project.



EXHIBIT “P” – TEMPORARY FENCING

The Temporary Fencing has been removed from the Scope of Work. See Exhibit “P” – Temporary Fencing posted as a separate document on the District’s ProcureWare website.

EXHIBIT “Q” – NORTH FENCE AND GATE INSTALL

Exhibit “Q” – North Fence and Gate Install will be posted as a separate document on the District’s ProcureWare website.

COMMERCIAL EVALUATION

Contract No.:	130-12856HR	Contract Title:	Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid

Bid Opening Date		03/19/2026	
Total No. of Bidders:		4	
Was prequalification required for bidding?		Yes - HVE	
No. of potential Bidders who obtained the Bid documents:		17	
Was this Bid advertised in the newspaper?	Yes	If yes, where?	Columbia Basin Herald
Addenda issued?	Yes	If yes, how many	3

Additional Information

Cost Estimate:	\$36,625,600.00

Bidders

Name of Bidder:	Michel's Pacific Energy, Inc.		
Total Bid Price:	\$16,564,213.34	Bid Security:	Bid Bond
Signature Certification:	Yes	Delivery / Completion:	As required
Addendum Received:	Yes	Bidder's Data Provided:	Yes
Commercially Compliant?	Yes	Technically Compliant?	Yes

Additional Information:

Name of Bidder:	Palouse Power, LLC		
Total Bid Price:	\$20,471,000.00	Bid Security:	Bid Bond
Signature Certification:	Yes	Delivery / Completion:	As required
Addendum Received:	Yes	Bidder's Data Provided:	Yes
Commercially Compliant?	Yes	Technically Compliant?	Yes

Additional Information:

Name of Bidder:	Potelco, Inc.		
Total Bid Price:	\$22,537,156.00	Bid Security:	Bid Bond
Signature Certification:	Yes	Delivery / Completion:	As required
Addendum Received:	Yes	Bidder's Data Provided:	Yes
Commercially Compliant?	Yes	Technically Compliant?	Yes

Additional Information:

Name of Bidder:	Ward Electric Company, LLC		
Total Bid Price:	\$18,186,417.23	Bid Security:	Bid Bond
Signature Certification:	Yes	Delivery / Completion:	As required
Addendum Received:	See add'l information	Bidder's Data Provided:	Yes
Commercially Compliant?	No (see below)	Technically Compliant?	Yes

Additional Information:

Acknowledged only 2 of the 3 addendums

RESOLUTION NO. 9121

A RESOLUTION AUTHORIZING THE EXECUTION OF A COLLECTIVE BARGAINING AGREEMENT
BETWEEN GRANT PUD AND LOCAL UNION 77 OF THE INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS

Recitals

1. RCW 54.04.170 and 54.04.180 authorize Grant PUD and its employees to enter into collective bargaining;
2. Central Washington Public Utilities (CWPU) is an association organized for the purpose of collective bargaining on behalf of several public utilities including Grant PUD;
3. Local Union 77 of the International Brotherhood of Electrical Workers (IBEW Local 77) is the sole and exclusive bargaining agency with respect to rates of pay, hours of work and other conditions of employment for those employees covered by the classifications set forth in Article 9 of the existing collective bargaining agreement;
4. Representatives of Grant PUD and IBEW Local 77 have been negotiating over wages, hours and working conditions for bargaining unit personnel and during the course of negotiations, Grant PUD's Vice President of Human Resources & Chief Human Resources Officer and Labor Relations Manager entered into the following tentative agreements with the IBEW Local 77 Business Manager in order to facilitate settlement: Grant PUD Tentative Agreement dated March 2, 2026;
5. On April 4th, 2026 a majority of the bargaining unit employees ratified a new collective bargaining agreement proposal consisting of the changes outlined in the tentative agreement referred to above, which will become effective upon ratification of both parties with wage components being retroactive to April 1, 2026 in compliance with the agreement and Collective Bargaining Agreement;
6. Notice has been given of the excess compensation provisions of this Contract pursuant to RCW 41.50.152; and
7. Grant PUD's Vice President of Human Resources & Chief Human Resources Officer, Labor Relations Manager, and the negotiating team are of the opinion that the proposal should be approved in consideration of future services to be provided by the bargaining unit after the date of ratification, and that the contract proposal ratified by the bargaining unit employees is reasonable and in the best interests of Grant PUD.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the President and Secretary of the Commission are authorized to sign on behalf of Grant PUD a three (3) year collective bargaining agreement with IBEW Local 77 consistent with the attached tentative agreement effective upon commission approval through March, 31, 2029

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of April, 2026.

ATTEST:

Secretary

Commissioner

President

Vice President

Commissioner

MEMORANDUM

Date

TO: Board of Commissioners
John Mertlich, General Manager/Chief Executive Officer

VIA: Tod Ayers, VP of Human Resources/Chief Human Resources Officer

FROM: Cecily Hutton, Labor Relations Manager

SUBJECT: Collective Bargaining Agreement (2026-2029)

Purpose: To request Commission approval of a tentatively agreed-upon three-year successor Collective Bargaining Agreement, effective upon ratification, with wage adjustments retroactive to April 1, 2026, through March 31, 2029.

Discussion: The Bargaining Unit ratified the Collective Bargaining Agreement (CBA) on April 4, reflecting the changes outlined in the attached tentative agreement between Grant PUD and IBEW Local 77.

The agreed upon changes include:

1. **Wage Adjustments:** 8% total wage increase effective April 1, 2026 (4% General Wage Increase and 4% market adjustment), with targeted additional market adjustments for select job titles and an increase to certain bargaining unit leadership titles from 120% to 123% of the underlying title wage rate (example: Supervising Foreman – Line at 123% of the Journeyman Lineman rate), and a one-time \$0.25 increase to “Other Wages” for all titles as reflected in the wage table.
2. **Retirement Benefit Enhancement:** Beginning January 2027, the utility will provide a dollar-for-dollar employer match up to 2% of straight-time wages for employee contributions to the 457(b) deferred compensation plan, deposited into a 401(a) account.
3. **Union Leave, Training, and Administrative Updates:** Clarifies union release time provisions, establishes an annual steward training pool, allows electronic signatures and electronic dues authorizations, and establishes procedures for voluntary PAC payroll deductions.
4. **Grievance and Labor-Management Processes:** Updates grievance definitions and procedures, establishes calendar-day timelines, clarifies filing requirements, and adds optional labor-management problem-solving and mediation prior to arbitration.
5. **Operational and Workplace Policy Updates:** Includes revisions to holiday structure and observance rules; provisions addressing compensation for after-hours electronic work communications; remote call-out overtime; temporary assignments to non-bargaining unit positions; career ladder and journeyman qualification requirements; certification and licensing timelines; and updates to climbing allowance administration.

To fulfill the public notice requirements as outlined in RCW 41.50.150, a Public Notice of Excess Compensation is attached. This notice should be posted with the Commission agenda.

Recommendation: Commission approval of the attached tentative Collective Bargaining Agreement, effective upon ratification, with wage provisions retroactive to April 1, 2026, in accordance with the agreement term through March 31, 2029.

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

**Public Notice of Excess Compensation Provision
RCW 41.50.150 (SB 5990)**

The proposed Collective Bargaining Agreement contains provisions which, in the case of employees who are members of PERS Plan 1, may result in Grant PUD being billed for excess compensation payments. These provisions are included in Article 2, which contains a severance package in lieu of an employee being reassigned due to lack of work because of automation/technological change, and also in Article 5, which contains leave provisions. Any personal leave (PLP) cash-out of more than 240 hours or any other leave cash-out (Floating Holidays) that is accrued and cashed out during the Average Final Compensation period, may be subject to excess compensation billing.

The current personal leave (PLP) provision has been part of prior Collective Bargaining Agreements since 1993. The severance provision has been in place since the 2014 Collective Bargaining Agreement.

The excess compensation amount Grant PUD has to pay for each retiree varies and depends on the retiree's salary, leave available at retirement, and leave accrual rate and age at retirement. There are **2 employees** who are participants in PERS Plan 1 on Grant PUD's payroll at the beginning of **March 2026** (of which, **only one of these employees is currently a bargaining unit employee**). If most of the employees who are covered by PERS Plan 1 retire in the next three years, the amount of excess compensation due to leave cash-out could exceed \$40,000.

Please post this notice along with the Commission agenda.

COLLECTIVE BARGAINING AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
AND
LOCAL UNION 77 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

APRIL 1, 2026 TO MARCH 31, 2029

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COLLECTIVE BARGAINING AGREEMENT

PREAMBLE

This Agreement made and entered into this 1st day of April 2026,
by and between

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY,
hereinafter referred to as "Grant PUD or the "utility".

and

LOCAL UNION NO. 77 of the INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
hereinafter referred to as "the Union."

ARTICLE 1

GENERAL CONDITIONS AND TERM

1.1 General Harmony Statement

1.1.1 Grant PUD and the Union recognize that harmonious relations should be maintained between them and with the public. Grant PUD, the Union and the public have a common and sympathetic interest in the progress of the electrical industry. All will benefit by adjusting any differences which may arise by rational, common-sense methods. The General Harmony Statement is included in this agreement to affirm the parties' mutual intent to work collaboratively and respectfully. Alleged concerns related to this statement may be raised and discussed through the grievance process and other labor-management forums; however, section 1.1.1 shall not be cited, interpreted, or enforced in arbitration and shall not serve as a basis for any arbitration decision or remedy.

1.1.2 It is recognized that supplementary written agreements, such as Letters of Agreement, exist regarding points not covered by this Agreement and it is the intent that they be and remain in force until otherwise terminated by mutual agreement. Such agreements will have the same force and effect as any other term or condition contained in the Collective Bargaining Agreement. When the guidelines outlined by the Letter of Agreement are silent on any specific issue contained within the Collective Bargaining Agreement, the provisions of the Collective Bargaining Agreement will prevail.

1.1.3 Grant PUD and the Union mutually agree there will be no discrimination, as set forth in applicable State or Federal law, against any employee or applicant for employment because of age, sex, race, creed, color, national origin, disability, sexual orientation, marital status, protected veterans status, or any other protected category under federal or state law and regulation. (Per Section 4.2.1, this nondiscrimination section is not subject to the grievance or arbitration procedures set forth in this Agreement.) Grant PUD and the Union encourage an employee believing that the employee has been subject to unlawful discrimination to first seek relief through utility management in accordance with the utility's anti-discrimination and/or anti-harassment policies. If the matter is not satisfactorily resolved by Grant PUD management, then the employee may seek relief through the appropriate federal or state agency charged with investigating such matters.

1.1.4 Use of the term "permanent" with reference to Grant PUD employees is not defined as a guarantee of permanent employment.

1.1.5 Productivity Commitment

1.1.5.1 Grant PUD and the Union recognize the need to work efficiently, effectively, economically, and safely. To this end, the parties agree to the fundamental principles listed below. The intent of these principles is to make efficient use of personnel, their skills, time, and utility equipment and facilities. These principles shall be used to apply work rules found elsewhere in this Agreement, and whenever a specific work rule or portion thereof conflicts with these principles, the principles shall govern the work.

The principles are:

- A. The job determines the number of employees needed to do it.
- B. If it is safe anytime, it is safe all the time when like conditions prevail recognizing safe work practices are paramount.
- C. Equipment/material does not determine jurisdiction, but equipment/material can help determine the number of employees needed for a specific task.
- D. Composite work justifies use of composite crews with the recognition that present craft jurisdiction will be maintained.
- E. An employee at a job site may perform what work the employee is qualified to do provided they are adequately trained.

1.1.5.2 In carrying out the above principles, it is understood safe work practices shall be maintained. All work and certainly work in the electrical industry is done at some risk. It is the goal of Grant PUD and the Union to hold risk to a mutually acceptable level.

1.1.5.3 The decision and responsibility to determine crew size and composition rests solely with Grant PUD, provided that the Foreman of any utility crew who believes that working safely or safe work practices have been materially affected by crew size and/or composition in view of the work to be done, shall immediately advise management of his concern and the reason therefor. If management disagrees with the Foreman, the crew size and/or composition shall be adjusted to accommodate the Foreman's concern and the specific disagreement over safety shall be promptly referred to a labor-management committee for resolution. Resolution by the committee, or by any other means, shall be based upon OSHA/WISHA laws and regulations with the recognition OSHA/WISHA regulations are minimum safety standards and not all inclusive.

1.1.5.4 Implementation and application of these principles shall not, in and of themselves, cause or result in the loss of a job for a bargaining unit employee on the payroll as of the date of ratification and execution of a successor labor agreement.

1.1.5.5 – Engineering Development Assignments – Hands-On Experience – Grant PUD and the Union recognize the value of providing Engineers and Engineering Interns with opportunities to gain practical experience in operations. Such assignments shall be conducted under direct supervision, will not count toward minimum crew size, and comply with all applicable laws, regulations, qualification standards, and safety rules. Energized or permit-required tasks are prohibited unless the individual already holds all required qualifications. Engineers and Engineering Interns may be assigned to work with bargaining unit employees to enhance technical knowledge and skills.

Parameters:

- A. Assignments shall support the development of knowledge of generation, transmission, and distribution systems and promote communication between Engineers, Interns, and bargaining unit employees.
- B. Assignments shall be determined by the appropriate Foreman or designee.
- C. No assignment shall exceed six (6) weeks.
- D. Engineers and Engineering Interns shall not displace regular full-time employees.
- E. Participation in this program shall not establish precedent.
- F. Hands-on participation is solely for education and development, not as a substitute for regular staffing or bargaining-unit work.
- G. Temporary participation for learning purposes shall not violate this Agreement, provided that:
 - a. The work remains primarily led and performed by bargaining unit employees;
 - b. assignments are limited in duration, scope, and frequency; and
 - c. prior to the commencement of any hands-on work, a safety briefing shall be conducted;
 - d. Management shall ensure that appropriate personal protective equipment (PPE) is available and that all safety rules, procedures, and supervision requirements are followed.

1.2 Period of Contract

1.2.1 For and in consideration of the promises and obligations of each party, the parties hereto establish and agree to the conditions of employment as herein set forth from **April 1, 2026** through March 31, 2029, and from year to year thereafter unless terminated.

1.3 Modification

1.3.1 If either party desires to amend or terminate the Agreement, they shall notify the other party in writing at least sixty (60) days prior to the anniversary date. The general subjects of such request shall be contained in the notice.

1.3.2 It is understood that neither party is obliged to entertain requests from the other for modification or amendment of the terms hereof or enlargement of this Agreement during its life. It is likewise understood that the Union makes no waiver of its rights as the bargaining agency for the employees covered hereunder except as may be expressly set forth herein.

1.4 Savings Clause Concerning Mandatory Laws

1.4.1 Nothing in this Agreement is intended or shall be used to violate any legal public requirement or safety standard. If during the term of this Agreement laws become effective which conflict with this Agreement, the parties shall amend such conflicting provisions only and all other provisions shall continue in full force and effect.

1.5 Negotiations

1.5.1 Union employees on duly authorized individual and joint negotiating committees will be paid by the utility for actual meeting time. A maximum of one hundred and twenty (120) hours pay will be provided for individual negotiations. Pay for those attending joint CWPU negotiations will be at fifty percent (50%). In any event, pay for either individual or joint bargaining shall not extend beyond April 1 of the year involved, unless mutually agreed. No overtime pay will be incurred by the utility either for employees attending negotiations or those who must replace them at work. The number of employees to be covered by this arrangement shall be subject to mutual agreement.

1.6 Use of Electronic Signature

1.6.1 Grant PUD and the Union agree that documents executed in connection with this Agreement may be signed and transmitted electronically. An electronic signature shall have the same force and effect as an original

handwritten signature, to the extent permitted by law.

This provision applies to documents such as Letters of Agreement (LOAs), Memoranda of Understanding (MOUs), grievance settlements, side agreements, extensions, and other written communications executed under this Agreement.

Each party is responsible for maintaining records of electronically signed documents and may request confirmation of authenticity if a question arises. If either party determines that a wet (original) signature is necessary for a particular document, the parties will provide and accept handwritten signatures without affecting the validity of the agreement.

ARTICLE 2 SCOPE OF AGREEMENT

2.1 Union Membership, Dues Deduction, And New Employee Information

2.1.2 Employees within the job titles covered by this Agreement shall have the right to voluntarily become members of IBEW, Local 77 in accordance with the Union's rules.

2.1.3 Nothing in this Article shall be construed as denying Grant PUD the right to select its employees regardless of whether such employees are members of the Union. New employees may choose to become members of the Union at any time.

2.1.4 Upon receipt of a valid, voluntary, written authorization from an employee, the Employer shall deduct Union membership dues from the employee's wages and remit such dues to the Union on a monthly basis, accompanied by a listing of employees for whom deductions were made and the amount deducted. Such deductions shall continue until revoked by the employee in accordance with the terms of the authorization.

2.1.5 The Union shall be provided an initial list of all bargaining unit employees. The names of unit employees subsequently hired will be supplied by the utility each month.

2.1.6 During new employee orientation, the Employer shall distribute a letter provided by the Union to employees newly hired into a job title covered by the Collective Bargaining Agreement, that introduces the Union, explains the Union's role as the exclusive bargaining representative, and provides information regarding voluntary Union membership and related forms and procedures.

2.1.7 The Union agrees to indemnify and hold Grant PUD , its officers, directors, agents, commissioners, employees, and former employees harmless against any and all claims, suits, order or other judgments, including all costs and attorney fees, involving the utility as a result of any dues deduction, and Voluntary Political Action Committee deductions, made or not made by the utility under the provisions of this Article or actions taken or not taken in relation to this Article. In addition the Union shall defend, indemnify, and hold harmless Grant PUD, its commissioners, officers, directors, employees, and agents from and against any and all claims, demands, actions, damages, liabilities, losses, or expenses including all cost and attorney fees arising out of or related to the authenticity, validity, or revocation of any dues authorization executed with an electronic signature, or from the Union's handling or transmission of such authorizations.

Notwithstanding the foregoing, upon discovery of any error or omission related to dues or deduction processing, the Employer shall take corrective action to address and remedy the issue within the next available payroll period.

2.1.8 Electronic Dues Authorizations.

Grant PUD and the Union agree that an employee's authorization for payroll deduction of union dues may be provided with an electronic signature in place of a handwritten one, consistent with applicable collective bargaining laws in the State of Washington.

The Union will be responsible for maintaining accurate records of such authorizations and will provide confirmation or copies to Grant PUD upon reasonable request. Grant PUD may rely in good faith on information supplied by the Union when processing dues deductions.

2.1.9 Voluntary Political Action Committee (PAC) Deduction:

- A. Grant PUD agrees to deduct voluntary contributions to the Union's Political Action Committee (PAC) from the wages of employees who voluntarily authorize such deductions in writing on a form mutually agreed upon by the Union and the Employer.
- B. Deductions shall be made in accordance with the written authorization form and shall be remitted to the Union's designated PAC account no later than thirty (30) days following the month in which the deduction was made, along with a listing of contributors and the amounts contributed.
- C. If an employee wishes to change their deduction amount, the employee must complete and submit a new PAC deduction form. The Employer shall implement such changes as soon as administratively practicable, but no later than two (2) full payroll periods after receipt of written notice.

All PAC deductions are strictly voluntary. Employees may revoke their authorization at any time by submitting written notice to the Employer, and Union. Such revocations shall be processed no later than thirty (30) days following the month in which the revocation was received. The Employer will not be obligated to process revocations until such notice is received.

2.1.10 If any portion of this section (2.1 Union Membership, Dues Deduction, And New Employee Information) is prohibited by law, such portion shall be deemed to have no force or effect, and the remainder shall remain in full force and effect. To the extent that any requirement in this section is permitted by law, whether presently or in the future, it shall be enforceable.

2.2 Recognition, Rights, Responsibility and Picket Lines

2.2.1 Grant PUD recognizes, and throughout the term hereof will recognize, Local Union 77 of the IBEW as the sole and exclusive bargaining agency with respect to rates of pay, hours of work and other conditions of employment.

2.2.2 The Classifications and types of employment covered by this Agreement and wage scales therefore are shown in Article 9.

2.2.3 There shall be no strikes, work stoppages, slow-downs, interruptions, or other delays of work, of any nature, by bargaining unit employees, nor any lockouts by the utility during the life of this Agreement. The Union agrees to use its authority with its members to effect continuous service to the utility.

However, employees covered by this Agreement shall not be required as a condition of employment to pass through a legal picket line recognized by Local Union 77 of the IBEW, nor shall any form of discipline be brought against any employee refusing to pass through such picket lines, provided that:

- A. The picket line has had prior approval of the Local Union and is sanctioned by the appropriate Central Labor Council. Approval of a picket line by the Union shall be established as soon as possible but no

later than 24 hours after the Union receives a status request from the utility. The Union's Business Representative or Business Manager shall advise the utility if the Union intends to honor the picket line.

- B. Employees shall be required to serve a customer who is not the object of the picketing. The Union will not refuse to service Grant PUD-owned equipment after the pickets are removed.

The Union recognizes that Grant PUD has an obligation which may require the dispatching of non-bargaining unit personnel to perform work which is the subject of a labor dispute and where Grant PUD's bargaining unit personnel have refused to cross a legal picket line. The Union agrees that in addition to the provisions above the Union shall not interfere with non-bargaining unit personnel so dispatched. It is understood that any Union employee willfully ignoring this understanding removes themselves from the protection afforded above. The Union will not bring charges through Union government against any non-bargaining unit employee who is following a directive issued by the utility management and which requires the crossing of a legal picket line.

2.3 (OPEN)

2.4 Discipline

2.4.1 Discipline will be carried out in accordance with Grant PUD's policies and procedures based on just cause. In the case of a grievance regarding disciplinary action, the parties agree that the discipline will be based on just cause and the grievance process will be based on the utility's policies pertaining to discipline and no other Central Washington Public Utility District's administration of discipline.

2.4.2 If the Grant PUD intends to discipline a Union Steward because of an incident which occurred when the Steward was engaged in specific union Steward activities, then the utility will give the Union five (5) days-notice (workdays) of its intention. The same five (5) day notice shall apply to the Local Union 77 Executive Board Member where the Union has advised the utility as to the employee's name and term of office.

2.4.3 Fitness for duty will be carried out in accordance with Grant PUD's policies and procedures.

2.4.4 Except where immediate removal from duty is warranted – including situations involving gross misconduct, threats to safety, potential harm to property, or risk to operational integrity – the employer will provide the employee and the Union with written notice of the intent to discipline in accordance with applicable laws and regulations.

To preserve the integrity of the investigation, or when the employer determines that the employee's continued presence in the workplace is not in the best interest of operations, the employee may be placed on paid administrative leave during this period.

Nothing in this section limits the employer's ability to take immediate action when necessary.

2.4.5 Records of disciplinary actions involving reductions-in-pay, suspensions or demotions, and written reprimands will be removed from the utility personnel file after three (3) years if (1) There has been no subsequent discipline; and (2) The employee submits a written request to Human Resources via their supervisor for its removal. See Grant PUD Employee Records policy for additional information.

2.4.6 Investigation Participation

Employees are required to participate in and cooperate with employer investigations into workplace conduct, safety or policy compliance. Employees must provide complete and truthful information during such investigations. Knowingly providing false, misleading, or incomplete information may result in disciplinary action, up to and including termination, consistent with the just cause provisions of this Agreement. Nothing in this section

shall diminish an employee's rights under applicable law, including the right to union representation during investigatory interviews.

2.5 Contracting and Job Security

2.5.1 Grant PUD shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the utility, that such contractor or subcontractor shall conform to the contract provisions of Washington State law affecting public utility districts at the time of the contract award, except that contracts let in accordance with Section 2.5.2 will require adherence to current wage rates. Grant PUD will require contractors to furnish the utility with the rates of wages and other employee benefits.

2.5.2 For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates and employee benefits shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment will be furnished to the Union by way of contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3 Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4 It is recognized by both the Union and Grant PUD that a stable total work force is desirable. To this end, the utility will not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological (which includes artificial intelligence) change, reductions will be made by attrition when reassignment is not feasible. An employee reassigned to a classification at a lower wage rate will retain his or her wage rate in effect at the time of the reassignment until such time that the wage rate of the lower classification exceeds the employee's previous wage rate. Employees reassigned will not be eligible for general or other wage increases during this period, unless otherwise mutually agreed. Alternatively, in lieu of reassignment, an employee may mutually agree with the utility to terminate employment through a severance package/agreement pursuant to Grant PUD policies and procedures. (Grant PUD shall consult with the Union on pending severance package/agreements.)

2.6 Job-Related Union Activities

2.6.1 The Union shall always keep the utility notified in writing of the name of each person designated by the Union to act as Steward; each such Steward to be an employee of the utility, engaged in work for the utility covered by this Agreement. Should a designated Steward be absent from work for an extended period, the Union may identify an alternate designated Steward to serve as their backup during that time.

2.6.2 An employee elected as Business Manager-Financial Secretary for Local Union 77 or appointed as a salaried Union Representative shall be granted a leave of absence upon request. If the utility identifies operational or placement considerations related to the employee's return, the utility will advise the Union and the employee prior to the return. During that period of leave of absence, past seniority shall be maintained. Upon returning to work and consistent with ability and qualifications to perform, such an employee shall be offered the first available position for which the employee qualifies. An employee appointed as a salaried Union Representative for a specified period, not to exceed twelve (12) months, shall not be subject to Section 5.6.1. Any other full or part-time appointment to a Local Union 77 position shall be considered on a case-by-case basis.

2.6.3 Union Requested Leave - When Grant PUD has received written notice from the Union giving the name and appointment of an employee elected to the Executive Board of the Union, or as Unit Chairman, appointed as utility Safety Representative, elected or appointed as a delegate to the IBEW National Convention, State of Washington annual safety meeting, or the Washington State AFL-CIO annual convention, the employee will be allowed time off to perform their duties, provided notice is provided to Grant PUD fourteen (14) days prior to the event. Management may approve exceptions to the timeline requirement.

Grant PUD will bill the Union for lost time at one hundred and fifty percent (150%) of the employee's rate of pay for actual hours and maintain the employee on the payroll in addition, Grant PUD will bill the Union for any overtime paid to cover the employee's absence if it is Business Manager Requested leave under Section 2.6.3.1.

2.6.3.1 Business Manager Requested Leave

A Business Manager may request union duty release time for an employee to attend a union function. Requests must be received by Grant PUD, fourteen (14) days in advance. Management may deny a request if it cannot be accommodated due to scheduling conflicts, employee availability, or previously scheduled GPUD business requiring the employee's attendance. Should Grant PUD deny a request it will work with the Union to see if a different member can be released.

2.6.3.2 Union Steward or Union Training Leave

Grant PUD will provide a pool of ninety (90) hours per calendar year, non-cumulative from year to year, for the purpose of allowing designated Union Stewards or other members to attend Union-sponsored training directly related to steward duties or other Union-sponsored training activities.

Requests to use hours from this pool shall be made in writing by the Union to the utility at least fourteen (14) calendar days in advance of the requested absence. Management may deny a request if it cannot be accommodated due to scheduling conflicts, employee availability, or previously scheduled utility business requiring the employee's attendance. Should a request be denied, the utility will work with the Union to determine if another Steward or employee may be released for the training.

Between **April 1, 2026**, and March 31, 2029 only, Grant PUD agrees to provide up to fifteen (15) Shop Stewards with an additional ten (10) hours of release time each to attend Union-sponsored Shop Steward Training, ensuring all participants have the opportunity to receive training.

During approved training time under this provision, employees will be maintained on the payroll, and the utility will not bill the Union for up to ninety (90) hours per calendar year of such training time. All other provisions of Section 2.6, including the requirements of Section 2.6.4 regarding the nature of Union activities and indemnification, shall remain applicable.

2.6.4 An employee who accepts an assignment or appointment by the Union which takes the employee away from regularly assigned duties shall be an employee of the Union during the entire period of that assignment or appointment. When an employee is conducting Union activities, those activities are for the benefit of the Union and therefore any injuries occurring while performing those responsibilities shall not be construed as injuries occurring in the course of the employee's employment with the utility. The Union agrees to defend, indemnify, and hold the utility harmless against any and all claims, suits, orders, or judgments inclusive of State Industrial claims brought or issued against the utility as a result of any such Union assignment or appointment.

This provision shall not apply in the following situations:

- A. An employee meeting with his utility's management representative to discuss local items in a labor/management meeting, including authorized Union Steward duties.
- B. An employee meeting with the utility's management representatives in collective bargaining to resolve local issues.
- C. An employee participating in joint negotiations which include the utility's management representatives and other management representatives at which the employee is primarily representing employees of his own utility.

Nothing herein shall modify present pay practices mutually agreed to for the Union activities.

2.7 Bulletin Boards

2.7.1 Grant PUD shall supply bulletin boards for the official use of the Union. Only those bulletins signed by the Business Manager, Business Representative, Union Steward or an official of the Union whose name has been given to the utility by the Union Business Office shall be posted. Access for posting to bulletin boards shall be limited to the above-named officials.

2.8 Public Records Request – Employee and Union Notification

Grant PUD will comply with all applicable Washington State Public Records laws, including RCW 42.56 (Public Records Act).

When a public records request is made for records contained in a bargaining unit employee's personnel, payroll, supervisor, or training file, the Employer will provide written notice to the affected employee(s) and to the Union at least ten (10) calendar days before the records are released, or as otherwise required by RCW 42.56.250.

Nothing in this Section shall be construed to create notice obligations beyond those required by statute. In the event the law changes regarding notice requirements or timelines, the Employer's obligations under this Section shall automatically adjust to remain consistent with applicable law.

ARTICLE 3

MANAGEMENT RIGHTS

3.1 Grant PUD retains the sole right to manage its business and direct its work force covered by this Agreement. This includes, but is not limited to, the right to hire, to classify, to transfer, to promote to supervisory or other positions, to demote for non-disciplinary reasons, to discipline or discharge for cause, to determine an employee's ability or qualifications to perform the work required, to use improved methods or equipment, to subcontract any operations or work, to discontinue operations in whole or in part, to permanently or temporarily increase or decrease the working force, to plan, direct, control, curtail, discontinue, merge or increase operations, to grant voluntary benefits, to maintain order and efficiency, including, but not limited to, the right to establish, modify and enforce work rules in order to comply with federal or state regulations or to promote safety among the employees for the public, and to provide service to the customers and to regulate conduct among the employees. These rights are subject only to the written terms of this agreement, and any and all established or implied rights of the Grant PUD, the Union or the employees. Grant PUD recognizes its obligation to provide notice and opportunity to bargain with the Union over all mandatory subjects of bargaining before altering current conditions provided that the utility has no obligation to bargain over its exercise of those core management rights recognized by applicable law to be within unilateral management discretion.

ARTICLE 4

GRIEVANCES AND ARBITRATION

4.1 Continuous Operation

4.1.1 It is recognized that Grant PUD is engaged in a public service requiring continuous operation.

4.2 Grievances

4.2.1 The grievance and arbitration procedure provided herein is the exclusive means for resolving disputes arising out of the interpretation or application of this Agreement, and is final and binding upon the parties and grievant(s), provided that any dispute arising out of the interpretation and application of Section 1.1.3 shall not be subject to the grievance and arbitration procedure set forth herein.

Grievance – A grievance shall mean a written or verbal claim by an employee, group of employees, or the Union alleging that the Employer has violated, misapplied, or misinterpreted a specific provision of this Agreement.

Past Practice - The parties recognize that a “past practice” may, in appropriate circumstances, be relevant evidence regarding the interpretation and/or application of this Agreement. A past practice shall be considered established only where the party asserting the practice proves that the practice is: (1) clear and unequivocal; (2) consistently applied over a substantial period of time; and (3) known to and mutually accepted (explicitly or implicitly) by the parties.

A past practice shall not, by itself, constitute a grievable violation, nor shall it be used to add to, subtract from, or modify clear and unambiguous language of this Agreement.

Settlement - A mutually agreed resolution of a grievance at any step of the procedure, which shall be final and binding and shall not establish precedent unless expressly agreed in writing.

Timelines Extension Request - If desirable, time limits may be extended by mutual written agreement via email. For the purpose of this Article 4, time limits are considered calendar days. Any extension of time limits must be made before the limits of the individual section have expired.

The Union may withdraw a grievance at any point during the grievance or arbitration procedure. The Employer shall be notified in writing when a grievance is withdrawn.

4.2.2 Step I – Verbal

A. Employee and Shop Steward Discussion

An employee who believes they have a legitimate grievance shall first discuss the matter with the appropriate Shop Steward. If disagreement remains between the employee and Shop Steward, the matter shall be referred to the Union Representative.

B. Presentation to Supervisor

If it is believed that a grievance may exist, the Shop Steward shall present the matter verbally to the Supervisor in charge. Whenever possible, one (1) affected employee should accompany the Shop Steward.

C. Time Limit

A grievance must be presented to the Supervisor within forty (40) calendar days of the event or condition giving rise to the grievance, or within forty (40) calendar days from the date the employee or the Union knew, or through the exercise of reasonable diligence should have known, of such event or condition, whichever is later.

Failure to present a grievance within this time limit shall constitute a waiver of the grievance, and the grievance shall not be processed further under this procedure.

D. Resolution Intent and Supervisor Option

It is the intent of both parties to resolve as many issues as possible at this level. However, the Supervisor may request that the grievance be advanced to Step II without further discussion.

4.2.3 Step II – Written – Supervisor

A. Filing the Grievance

If no settlement has been achieved at Step I within ten (10) calendar days after the matter was presented to the Supervisor, the grievance shall be reduced to writing on a grievance form supplied by the Union. The employee and/or Shop Steward shall complete and sign the form and submit it to the Supervisor in charge.

B. Required Content

The written grievance must include:

- i. A clear statement of the issue, including the nature and subject of the grievance;
- ii. The date (on or about) of the occurrence giving rise to the grievance;
- iii. The specific Article(s) of this Agreement alleged to have been violated; and
- iv. The remedy sought.

C. Supervisor's Response

The Supervisor will provide a written answer within fifteen (15) calendar days of receiving the grievance. A copy of the response shall be provided to the Shop Steward via email and the Union and Labor Relations shall be copied. If the Supervisor does not provide a response within the time limits specified, the Union may advance the grievance to the next step in accordance with this procedure. The Employer's failure to meet the response deadline shall not, by itself, result in a waiver of the grievance.

D. Advancement Deadline

If the grievance is not advanced to Step III within thirty (30) calendar days of the submission to the supervisor, the grievance shall be considered settled.

4.2.4 Step III – Manager and Union Business Office

A. Filing to Advance

To move a grievance from Step II to Step III, the Union Business Office shall submit a written notice via email to the Labor Relations Manager or their delegate that includes

- i. The nature of the alleged violation;
- ii. The specific Article(s) of this Agreement alleged to have been violated; and
- iii. The remedy being sought.

B. Step III Meeting

Within thirty (30) calendar days of the submission of the grievance at Step III, the Union and the appropriate Management Representative(s) shall meet in an effort to resolve the grievance.

Grant PUD or the Union may enter the Step III level of this procedure with respect to differences of opinion as to the interpretation of the Agreement. Such differences of opinion will be discussed at this level.

C. Employer's Response

Grant PUD shall provide a written Step III answer to the Union Representative within thirty (30) calendar days following the Step III meeting.

D. Advancement to Arbitration

If all attempts to resolve the grievance fail and the grievance remains unresolved, Grant PUD and/or Union may determine to refer the matter to Arbitration under the terms of Section 4.3 set forth herein.

4.2.5 Optional Grievance Mediation - If the parties are unable to resolve a grievance at the Step III level, upon mutual agreement of Grant PUD and the Union, the parties may request grievance mediation utilizing services provided by the Public Employment Relations Commission. If mediation is agreed to, the parties shall hold timelines of the grievance in abeyance until the conclusion of mediation.

4.2.7 In the case of a grievance arising over disciplinary action, the question submitted to arbitration shall be, within the context of the entire Agreement, was the discipline assessed by the Grant PUD just, and if not, what is the appropriate remedy?

4.3 Arbitration

4.3.1 Any grievance resulting from a difference of opinion as to the interpretation of this Agreement which remains unsettled after having been fully processed pursuant to the provisions of the grievance procedure may be submitted to arbitration providing written application is made within thirty (30) days following receipt of the written Step III answer.

4.3.2 Either party may give notice of its intention to arbitrate and both parties shall, within five (5) days of service of such notice, name its representative.

4.3.3 The parties shall, within five (5) days, mutually agree upon a third and impartial person who shall act as a single arbitrator. In the event of failure to agree upon such third person, notice is to be given to the parties, who shall, within five (5) days, request a list of nine (9) arbitrators from the Federal Mediation and Conciliation Service if their services are available, if they are not, the parties will request a list from the Public Employment Relations Commission. Using such list, the parties shall by agreement or alternately striking names until one remains, select the arbitrator. Such selection is to be made, and notification to the Federal Mediation and Conciliation Service sent, within ten (10) days of receipt of the list. Upon response from the arbitrator, the parties will have ten (10) days to agree to arbitration hearing dates and send notification to the arbitrator.

4.3.4 In the event of the failure of either party to name its representative, the arbitrator shall proceed to hear the evidence and make findings and issue a final award and shall in all respects possess and exercise the powers of the arbitrator.

4.3.5 Arbitration hearings will be conducted in as short a time as possible and the arbitrator shall designate the time and place of the hearing, preferably at the appropriate utility headquarters and cause due notice thereof to be given. Each party shall be given the opportunity to appear in person and/or by attorney, to produce witnesses and cross-examine.

The Arbitrator shall pass on the admissibility of the evidence. Each of the parties agree to produce all its books, records and documents, or any other material or certified copies thereof, which, in the opinion of the Arbitrator are relevant to the issues in dispute. The Arbitrator's decision and award shall be published, giving the reason(s) therefore.

4.3.6 The award of the Arbitrator shall be final and conclusive on the parties hereto. The Arbitrator shall have the power only to interpret this Agreement and shall not have power to alter or amend it.

4.3.7 Each party will be responsible for paying its attorney fees, witness fees, its costs and the party who is not upheld shall pay the arbitrator's costs. Should the arbitrator be unable to determine which of the parties is not upheld, then the arbitrator shall order the arbitrator's costs to be divided equally.

ARTICLE 5

EMPLOYEE BENEFITS

5.1 Personal Leave Plan

5.1.1 In recognition of the need for paid time off for rest and recreation, illness, injury, child care, bereavement, personal business and any other approved absence from work on a paid leave status except to the extent Worker's Compensation, Occupational Disability Allowance, Short Term Disability Plan or Long Term Disability Plan provisions of this Agreement provide otherwise, the following Personal Leave Plan is established for all full-time, regular employees of Grant PUD.

5.1.2 Except while receiving occupational disability allowance or in a leave without pay status, each employee shall accrue Personal Leave as follows:

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate* (illustrative only)
During the 1 st through 5 th year of employment	6.46 hours	21 days per year
During the 6 th through 10 th year of employment	8.31 hours	27 days per year
During the 11 th year of employment	8.62 hours	28 days per year
During the 12 th year of employment	8.92 hours	29 days per year
During the 13 th year of employment	9.23 hours	30 days per year
During the 14 th year of employment	9.54 hours	31 days per year
During the 15 th year of employment	9.85 hours	32 days per year
During the 16 th year of employment	10.15 hours	33 days per year
During the 17 th through 25 th year of employment	10.46 hours	34 days per year
After the 25 th year of employment	10.77 hours	35 days per year

* "Day" for purposes of this section means eight (8) hours.

5.1.3 Use of Personal Leave shall be conditioned upon operational needs of the utility and approval of the Manager or designee. Approval of the unplanned use of Personal Leave shall be sought as early as practicable. All other use of Personal Leave shall be scheduled such that advance approval is sought at least twice as early as the length of the requested leave (e.g., one week's leave would require at least two weeks' notice).

Grant PUD shall respond to the request within five (5) working days. It is the intention that leave be granted upon shorter notice for emergencies, death, illness or serious accident in the immediate family. Unplanned use of Personal Leave so frequent as to interfere with job performance or utility operations shall subject the employee to corrective action, regardless of the cause for such unplanned use.

5.1.4 Accrued Personal Leave for each employee hired before April 1, 2011, shall not exceed the greater of twelve hundred (1200) hours or the number of hours accrued by each employee as of April 1, 1996. For employees hired on or after April 1, 2011, the accrued Personal Leave shall not exceed seven hundred (700) hours. Annually, accrued Personal Leave in excess of the limit set forth above shall be cashed out at the straight-time hourly rate of pay then in effect for the affected employee.

5.1.4.1 Each employee shall schedule and use at least (5) days of Personal Leave in each calendar year of the first five (5) years of employment or eligibility for Personal Leave accrual and at least ten (10) days of Personal Leave

annually thereafter. (During the first year of eligibility, this requirement will be waived if the employee's hire date or eligibility date is later than the first working day of the calendar year.) Employees who fail to meet this obligation shall forfeit the balance of the required annual leave usage unless such failure is the result of occupational disability or extended illness.

5.1.4.2 Run out of leave before retirement in excess of one hundred sixty (160) hours is prohibited, unless a bona fide approved FMLA or Family Care Leave situation exists.

5.1.5 Any employee having more than eighty (80) hours of accrued Personal Leave may convert the excess to a utility provided deferred compensation plan at the regular straight-time hourly rate of pay then in effect for that employee. The utility shall establish administrative procedures governing such transfers.

5.1.5.1 All accrued but unused Personal Leave shall be cashed out upon termination or retirement provided that six (6) months of continuous service have been completed. See LOA #18.

5.1.5.2 Annual Cashout of Personal Leave – In the final pay period of the payroll year, bargaining unit employees may cash out Personal Leave so long as their balance does not fall below one hundred and twenty (120) hours.

5.1.6 In recognition of the fact of extended illness, injury, or disability there is established a Short-Term Disability (STD) program benefit for Full-time, Regular, Limited Assignment, and benefits-eligible Seasonal employees as set forth below. **Provisions of 5.1.6 may be superseded by CWPU LOAs (Implementation of RCW 50A.04 Family and Medical Leave Program).**

5.1.6.1 Employees are eligible for the STD program benefit when they are unable to work for forty (40) consecutive regularly scheduled hours, including holidays, because of illness, injury, or disability which is not related to Worker's Compensation/work related illness or injury (except as provided for in Section 5.5.2) and as certified by licensed, competent medical authority, and the Grant PUD's Third Party Administrator, if any.

5.1.6.2 STD benefits are paid at 70 percent (70%) of an employee's regular straight time base pay from the forty-first (41st) regularly scheduled hour of their inability to work until the employee either recovers and returns to work or completes the waiting period required for UIP long term disability insurance eligibility, whichever is earlier. Accrued Personal Leave may be used to make up the difference between the STD benefit payment and 100% of gross, straight-time base pay.

- A. Grant PUD or the Third-Party Administrator has the right to request a second medical opinion from a licensed, competent medical authority at the utility's expense, to be selected by the utility and/or the Third-Party Administrator. The decision of the second medical opinion provider will be used to determine benefit eligibility.
- B. If a third and final medical opinion is requested, it shall be at the expense of the utility. The medical opinion will be provided by a licensed, competent medical authority agreed to by both the employee and the utility or Third-Party Administrator, if any, and the decision rendered by the third medical opinion shall be binding on the parties without any additional recourse.

5.1.6.3 If an employee has an established employment termination date (established prior to the STD waiting period). STD benefits will cease on the established termination date. This applies to resignation and retirement advance notices, and to other established end of employment or assignment dates for limited assignment and benefits eligible seasonal employees.

5.1.6.4 Return to work from coverage by the STD benefit is conditioned upon certification by licensed, competent medical authority that the employee can fully perform the duties of the job and is otherwise fit to return to work. Absent

such certification, the utility shall determine whether reasonable accommodation of the employee's condition can be made.

5.1.6.5 An employee who returns to work from coverage by the STD benefit pursuant to Section 5.1.6.4 and works less than thirty (30) calendar days because of a relapse, may return to coverage by the STD benefit immediately upon such relapse.

5.1.6.6 In the event an employee receiving STD benefits recovers damages from any third party for the illness or injury that made the employee eligible for the STD benefit, that employee shall reimburse the utility the lesser of STD payments received or the amount of damages recovered. Employees making such reimbursement shall be eligible to buy back any Personal Leave used in connection with receipt of the STD benefit.

5.1.6.7 Should Grant PUD be approved for a voluntary plan that satisfies both the requirements of Washington State's Paid Family and Medical Leave (PFML) Act and meets (or exceeds) the conditions identified above for Short-Term Disability, then the conditions for which an employee is eligible, the process for administration, and the return to work guidelines will be outlined in the Voluntary Plan document and associated policy (Sections 5.1.6.1 through 5.1.6.6). Should additional changes need to be made due to changes in the legislative administration of PFML, etc. Section 1.4.1 will apply to these additional negotiations.

5.2 Personal Leave

5.2.1 An employee shall have the right to return to the job vacated because of Personal Leave.

5.2.2 When members of a crew or group are using Personal Leave, the remaining members shall not be required to use their Personal Leave at the same time.

5.2.3 It shall be the utility's responsibility to remind employees of forfeiture dates for accrued Personal Leave or Floating Holidays thirty (30) days prior to the date that such loss would occur. Employees can reference their leave balances throughout the year through the payroll system. Cancellation of leave by the utility in response to an emergency which affects this section shall cause the utility to extend the period herein an additional thirty (30) days.

5.2.4 If a probationary employee is absent for STD and/or Occupational Disability under this Agreement the probationary period under Section 6.1.3 may be lengthened by the amount of the total of STD and/or Occupational Disability absences.

5.3 District Deferred Compensation and Match

5.3.1 The utility shall provide a three percent (3%) contribution to each eligible employee to a utility established deferred compensation plan. This three percent calculation will be based on an employee's regular straight-time wages for the pay period. For purposes of this calculation, straight-time wages include Personal Leave (PL), Floating Holidays, Holidays, and Short-Term Disability (STD).

5.3.2 The utility will establish administrative procedures to allow for employee loans in compliance with IRS guidelines from the 457 Deferred Compensation, 457 Roth Deferred Compensation and 401(a) Defined Contribution plans.

5.3.3 Effective the first full pay period of January 2027, the utility shall provide an Employer matching contribution to a 401(a) retirement account for eligible bargaining unit employees who participate in the Employer-sponsored 457(b) Deferred Compensation Plan. For purposes of this Section, employee contributions to the 457(b) Plan include both pre-tax and Roth elective deferrals.

The Employer matching contribution shall be equal to a dollar-for-dollar match of employee contributions made to the 457(b) Plan during the applicable pay period, up to a maximum of two percent (2%) of the employee's regular straight-time wages for that pay period. For purposes of this calculation, straight-time wages include Personal Leave (PL), Floating Holidays, Holidays, and Short-Term Disability (STD).

Employer matching contributions shall be:

- Calculated on a per-pay-period basis
- Based solely on employee contributions made during that pay period
- Deposited into the Employer-sponsored 401(a) Plan

Employees who do not make a 457(b) contribution during a given pay period shall not receive an Employer matching contribution for that pay period.

The Employer shall not provide any year-end adjustment, reconciliation, or true-up for matching contributions. Employees are responsible for managing their 457(b) contribution elections in order to maximize any available Employer matching contributions. Matching Contributions under this Section shall be subject to the applicable annual addition limits under Internal Revenue Code Section 415.

5.4 Holidays

References to schedules within this Article serve only to identify how holidays are assigned and observed. The creation, modification, or administration of employee work schedules is governed exclusively by Article 7 and nothing in this Article shall be construed as expanding or diminishing any rights under that Article.

5.4.1 Recognized Holidays. Grant PUD recognizes the following thirteen (13) paid holidays:

New Year's Day (January 1),
Martin Luther King Jr. Day (third Monday of January),
President's Day (third Monday in February),
Memorial Day (last Monday in May),
Juneteenth Day (June 19),
Independence Day (July 4),
Labor Day (first Monday in September),
Veteran's Day (November 11)
Thanksgiving Day (fourth Thursday in November),
Native American Heritage Day (Friday after Thanksgiving Day),
Christmas Day (December 25), and
Two (2) Floating Holidays.

5.4.2 Holiday Pay. All eligible employees except those required to work a regularly scheduled shift on the holiday, shall observe the holiday by taking that day off with pay. Holiday pay for purposes of this section means eight (8) hours.

On holidays not worked, employees working four-ten (4x10's) schedules will:

Take two (2) hours of Personal Leave or Floating Holiday hours in addition to eight (8) hours of holiday pay,
Take two (2) hours of authorized Leave Without Pay on the holiday (without loss of seniority or benefit accruals).

5.4.3 Schedule-Specific Holiday Observance Rules – (Non-Rotating Shifts)

a. Standard Workweek (Monday–Friday, 5x8 schedule)

- When a holiday falls on Sunday, the following Monday shall be observed as the holiday.
- When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.

b. Four-Tens (4x10), Monday–Thursday Schedule

- If the holiday falls on a Friday or Saturday, the preceding Thursday shall be observed.
- If the holiday falls on a Sunday, the following Monday shall be observed.
- If the holiday falls on a regularly scheduled workday (Monday–Thursday), the actual holiday shall be observed.

c. Four-Tens (4x10), Tuesday–Friday Schedule

- If the holiday falls on a Sunday or Monday, the following Tuesday shall be observed.
- If the holiday falls on a Saturday, the preceding Friday shall be observed.
- If the holiday falls on a regularly scheduled workday (Tuesday–Friday), the actual holiday shall be observed.

d. Four-Tens (4x10), Friday–Monday Schedule

- If the holiday falls on a Tuesday, the preceding Monday shall be observed.
- If the holiday falls on a Wednesday or Thursday, the following Friday shall be observed.
- If the holiday falls on a regularly scheduled workday (Friday–Monday), the actual holiday shall be observed.

e. Thanksgiving and Native American Heritage Day Week - As Thanksgiving Day (Thursday) and Native American Heritage Day (Friday) are observed in the same week, the following rules apply:

- 5x8 Schedule (Monday–Friday): Thursday and Friday are observed.
- 4x10 Schedule (Monday–Thursday): Wednesday (in lieu of Native American Heritage Day) and Thursday (Thanksgiving) are observed.
- 4x10 Schedule (Tuesday–Friday): Thursday and Friday are observed.
- 4x10 Schedule (Friday–Monday) - Customer Service: Friday (Native American Heritage Day) and Saturday (in Lieu of Thanksgiving)

5.4.4 Holiday Work – Pay. Except for rotating shift workers, if an employee is directed to work on the holiday, the employee will receive holiday pay of eight (8) hours at straight time and overtime for all time worked.

5.4.5 Holidays During Paid Leave. When the holiday falls on a regular workday during an employee's Personal Leave or Short-Term Disability Leave period, it shall be treated as any other holiday.

5.4.6 Holidays and Rotating Shifts

- A. Holidays and 12-Hour Shifts. Holiday pay for 12-hour rotating shifts will be governed as outlined in the Letters of Agreement and Article 8.
- B. Holidays and Rotating Shifts. Rotating shift workers shall observe the actual holiday rather than the holiday observed by other employees of the utility where the actual and the observed holidays fall on different dates.
- (1) All holidays that are designated by law to be observed on a Monday shall be considered "Actual Holidays." Thanksgiving Day and Native American Heritage Day (Friday after Thanksgiving) are the only other holidays for which the observed date is always the same as the actual date. New Year's Day (January 1), Juneteenth (June 19), Independence Day (July 4), Veteran's Day (November 11), and Christmas Day (December 25) are the remaining "Actual Holidays". When these holidays fall on weekends and are observed on a Friday or Monday, the holiday premium will continue to apply to the actual, rather than the observed holiday.
 - (2) Rotating shift workers scheduled off on an observed holiday, other than the actual holiday, will not receive holiday pay for the observed holiday. Rotating shift workers who work on an actual

holiday as indicated will, as part of their regular straight-time pay and holiday pay at the straight-time rate, be credited with an additional eight (8) hours straight-time pay as a holiday premium. Federal law will prevail in determining actual holidays.

5.4.7 Floating Holidays. Each full-time, regular employee who has worked thirty (30) calendar days is entitled to two (2) Floating Holidays each year. The paid Floating Holiday may be taken on any day of the year, provided:

- A. Refer to Section 5.1.3.
- B. The paid Floating Holiday must be taken prior to payroll year end, or entitlement to the day will be forfeited. Next year's Floating Holidays will be available for use after the payroll year ends.
- C. Only those employed before October 1st of each calendar year shall qualify for the paid Floating Holidays in that year.

5.5 Occupational Disability Allowance

5.5.1 An Occupational Disability Allowance, as described below, will be paid to a disabled employee while absent from work when the employee has qualified for compensation under the Workman's Compensation Act; provided, the employee furnishes Grant PUD with: (1) a certificate signed by the employee's doctor that the employee is disabled and (2) a statement signed by the employee guaranteeing the employee will relinquish all funds distributed by Washington State Labor and Industries to the utility within one (1) week of receiving payment and authorizing their doctor to discuss the employee's disability with the GPUD Human Resources.

5.5.2 Absence from the time of injury until eligible to receive such allowance shall be covered in accordance with the provisions of Section 5.1.6 provided that an employee who fails to file for and/or comply with requirements to determine eligibility for Workman's Compensation benefits shall not receive the STD benefit. During the first one hundred seventy-six (176) work hours of eligibility (including observed holidays) the employee shall be paid at his regular rate and for the next one thousand nine hundred four (1,904) work hours (including observed holidays) the employee shall be paid eighty percent (80%) of his regular pay. Personal Leave used pending determination of eligibility shall be restored to the employee's credit for those days deemed payable under the Act.

5.5.3 Should it be determined by the Washington State Department of Labor and Industries that an employee has become permanently disabled as a result of any injury covered by the State Industrial Accident Insurance and shall as a result thereof terminate compensation payments, payments by the utility under 5.5.2 shall terminate at the same time and the utility shall then continue to pay such disabled employee up to his accumulated Personal Leave.

5.5.4 In the event an injured employee recovers damages from any third party the employee shall, in addition to reimbursing the Accident Fund and Medical Aid Fund as provided by R.C.W. 51.24., reimburse the Grant PUD for all payments made by the utility under 5.5.2 not exceeding the amount paid by the utility for wages, minus pro rata expenses of collection.

5.5.5 Grant PUD may, if it chooses, elect to implement a "Kept on Salary" (KOS) program wherein the employee's wages are paid by the utility during periods of Occupational Disability rather than a portion of the wage being paid by the State Industrial Insurance Program. See LOA # 35

5.6 Leave of Absence

5.6.1 If an employee requests time off in addition to his regular time off, such request may be granted without pay or paid benefits; provided that and subject to applicable state and/or federal laws, that all applicable accrued leave has been used and it does not inconvenience the operation of the utility or increase operating expenses. Leave Without Pay requires utility approval. Grant PUD will notify the Union of a leave of absence in excess of thirty (30) days.

5.6.2 When an employee is granted a leave of absence and returns to his previous or equivalent job, only the employees advanced to fill the temporary vacancies created by the leave of absence shall be affected, and in each case shall return to the jobs they left or their equivalents.

5.7 Jury Duty/Witness Service

5.7.1 An employee on jury duty shall receive compensation in the amount of his regular wage without overtime. The employee shall work on any day on which it is feasible to work one-half (1/2) day or more during his term of jury duty. The employee is not required to remit to the Grant PUD jury fees or expenses paid to the employee. An employee who serves on a jury or acts as a witness for Grant PUD whose established shift is anything other than day shift, may mutually agree to change their shift to five (5) eight-hour (8) days, without penalty, to accommodate the jury duty schedule. Employees who elect not to change their shift to day shift to accommodate the jury duty schedule shall take Personal Leave during their regular shift.

5.7.2 If any employee is subpoenaed as a witness to testify on behalf of Grant PUD, the employee will receive compensation in the amount of his regular wage, and the employee will be reimbursed for out-of-pocket travel expenses and subsistence when not provided by the party issuing the subpoena. The employee shall work on any day on which it is feasible to work one-half (1/2) day or more. The employee is not required to remit to the utility witness fees or expenses paid to the employee.

5.7.3 If an employee is subpoenaed by Court or agency order to testify regarding facts or events which the employee witnesses while working for the utility during his assigned work hours, regular wages without overtime will be granted for that period of absence required to comply with such order; provided, however, that no pay will be granted for absences to testify on behalf of parties exercising adverse action against the utility. The employee shall work on any day on which it is feasible to work one half (1/2) day or more. The employee is not required to remit to the utility witness fees or expenses paid to the employee.

5.8 Insurance

5.8.1 Full-time, regular employees covered by the terms of this Agreement shall, as a condition of continuous employment, participate in, be and remain covered under some of the provisions of employee group insurance programs made available by the utility under this Section. See LOA #25.

5.8.2 During the life of this Agreement, the utility shall provide, through the Central Washington Public Utility Unified Insurance Program (UIP), a Benefit Plan as negotiated, including group life insurance, additional employee-paid life insurance and accidental death and dismemberment insurance, long-term disability, medical, RX, dental and vision benefits. Benefit administration shall be pursuant to the insurance contracts establishing and governing such insurance benefits.

5.8.3 The utility shall have the exclusive right to select brokers and carriers and administer and disperse all funds held in reserve or trust for group insurance purposes without regard to the source of such funds. Upon request, the utility shall furnish the Union financial information relative to the group insurance plans and such other information relative to the UIP customarily provided by private sector employers in similar situations. If UIP Trustees declare a surplus and distribution of that surplus, then the distribution shall be shared among the utility and employees on a pro rata basis reflecting the current allocation of insurance premiums paid by the utility and employees.

5.8.4 A summary of health insurance terms, including Medical, Dental and Vision Plans, negotiated by the utility and the Union are included in Appendix A (attached and incorporated in this Agreement). Currently, the Plan Year is January 1 through December 31. In addition, Grant PUD and the Union agree that health insurance shall be provided by the utility in the following manner:

- A. The employee shall have the option of choosing between a PPO Option and a CDHP Option.
- B. The enrollment structure for the PPO Plan option is a four (4) – tier structure consisting of: (1) Employee Only, (2) Employee and Spouse, (3) Employee and Children, and (4) Employee and Family. Premiums are based on enrollment tier.

Effective January 1, 2017, the utility shall contribute eighty-eight percent (88%) and the employee shall contribute twelve percent (12%) of the monthly premiums for each benefit plan chosen.

The employee's contribution for any of the medical, dental, and vision insurance packages chosen by the employee shall be paid by the employee by payroll deduction.

- C. As an alternative to the PPO Plan, is the Consumer Directed Health Plan (CDHP) Medical, Dental, and Vision Plans. The enrollment structure for the CDHP option is a four (4) tier structure consisting of: (1) Employee Only, (2) Employee and Spouse, (3) Employee and Children, and (4) Employee and Family. Effective January 1, 2017, there shall be an employee premium contribution for the Medical CDHP of ten dollars (\$10) per month, regardless of medical enrollment tier, and it shall be paid by the employee by payroll deduction. Effective January 1, 2024, the Employee shall pay a premium contribution for the CDHP Medical, Dental, and Vision Plans of twenty dollars (\$20) per month, regardless of medical enrollment tier, and it shall be paid by the employee by payroll deduction. The utility shall pay the remaining cost of the monthly group insurance premium.
- D. The utility shall pay base level group life and accidental death and dismemberment insurance premiums. The employee shall pay one hundred percent (100%) of group long-term disability insurance.

5.8.4.1 The Employee Insurance Advisory Committee (EIAC) shall resume activity by meeting on mutually agreed dates. As an advisory committee, the EIAC is intended to focus on potential recommendations for future plan design modifications to control healthcare cost escalation, possible wellness options, minimizing the impact of the Affordable Care Act (ACA) and other federal and state laws, and ways to educate employees about consumerism. The EIAC is a "recommending committee" and has no authority to unilaterally implement changes desired by the committee.

5.8.5 If a state or national health insurance program becomes effective during the term of this Agreement, and such program affects the insurance provisions, including premium amounts, set forth in this Section, Grant PUD and the Union shall meet to negotiate the impact on such insurance provisions so affected.

5.8.6 Effective 1/1/2015, the UIP health insurance for existing and new retirees will be discontinued.

5.8.7 Tax-Free Health Care Savings Vehicle (HRA)

5.8.7.1 Effective January 1, 2020, benefit eligible employees will receive a monthly contribution to their tax-free health care savings vehicle equal to fifty dollars (\$50). This contribution is not subject to participation in the wellness program.

5.8.7.2 Effective January 1, 2015, for employees who elect to participate in the employer provided wellness program, the utility shall provide a monthly contribution to an employee's tax -free health care saving vehicle equal to one hundred and fifty dollars (\$150) per month, subject to local payroll administration practices. Participation in identified wellness events is required to receive the monthly contribution. The parties agree that this contribution is intended to help employees pay for health insurance upon retirement. However, the funds are available upon deposit for eligible health care expenses for each employee to manage as they choose.

ARTICLE 6

GENERAL WORK PROVISIONS

6.1 Seniority

6.1.1 Seniority Definitions. The following seniority definitions shall apply to full-time, regular and Limited Assignment employees:

- A. JOB TITLE SENIORITY shall be determined by the length of service in that job title, not necessarily continuous, but within the period defined by District Seniority. Job titles are defined as those individual positions as listed in Article 9, Compensation. Examples include Lineman, Warehousing, and Meter Readers.
 - (1) Upon completion of an apprenticeship, those who became Journeymen through an apprenticeship with the utility shall be considered to have one (1) year of Journeyman job title seniority retroactive from the date that they have successfully completed the apprenticeship program, to be awarded upon notification to the utility that they have passed the Union's Journeyman exams; provided, that the Journeyman exams are taken and passed within six (6) months of apprenticeship completion. Otherwise, seniority shall be effective one (1) year prior to the date the Journeyman exams are passed.
- B. WORK CLASSIFICATION SENIORITY shall be determined by the length of service in that work classification, not necessarily continuous, but within the period defined by District Seniority. A Work Classification is defined as a common field of work encompassing one (1) or more job titles. Work Classifications are indicated by subtitle in Article 9.
 - (1) Employees with two (2) or more years of seniority in one Work Classification, who are transferred to a second Work Classification, may return to the original Work Classification within two (2) years without interruption of seniority in the original Work Classification. Within 10 days of return to the original work classification, a declaration of the classification where seniority accrues will be made in writing (an email is acceptable) to Human Resources. The declaration will be kept on record in the employee's personnel file.
 - (2) If assigned to the second Work Classification longer than two (2) years, the employee may return to the original Work Classification with the seniority established while previously in that Work Classification. It is understood that seniority cannot be earned in two jobs or Work Classifications at the same time.
- C. DISTRICT SENIORITY shall be the length of continuous employment with Grant PUD since the last date hired within the bargaining unit.

6.1.2 Seniority Application. For employees who meet qualifications set forth in 6.2.5 or 6.2.6, it is understood and agreed that in all cases of promotion or transfer, (for example, change in headquarters, shifts, etc.), seniority shall be applied in the following order:

- A. Length of Job Title Seniority
- B. Length of Work Classification Seniority
- C. Length of District Seniority

6.1.3 Probationary Period.

- A. The first twelve (12) months of continuous service shall constitute a probationary period during which continued employment shall be at the option of the utility. A probationary employee shall not be eligible to bid another job title prior to successful completion of his/her probationary period.
- B. In cases where probationary employees apply for and are accepted into another job title within their twelve (12) months probationary period, they will begin a new twelve (12) month probationary period beginning on the date the employee transfers to the new job title. However, in no event shall an employee covered by this provision serve more than an eighteen (18) month probation period.

6.1.3.1 Reference is hereby made to Section 5.2.4 regarding Short-Term Disability and Occupational Disability absences.

6.1.3.2 Seniority & LTD. Seniority under this Agreement shall not accrue while an employee is absent on long-term disability (LTD) leave (full-time or part-time absence).

6.1.4 Seniority Error Correction. Errors in past applications of seniority shall be corrected at the time of vacancies occurring in the future. However, alleged misapplication of seniority must be grieved per Section 4.2.

6.1.5 Same Day Seniority – Tiebreaker. In cases where two (2) or more employees start to work on the same day they will have the same District Seniority date, and the date and time the employee's application for employment was received and stamped by the utility shall establish the employee's position on the seniority list.

6.1.6 Seniority and Military Service. Employees who are granted leave from the utility for Military Service shall retain and accrue seniority in accordance with the requirements outlined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, and as amended.

6.1.7 Seniority List. A seniority list shall be made up and posted when this Agreement takes effect and at least annually thereafter.

6.1.8 Seniority and Non-Unit Positions. Grant PUD, with the consent of the employee, may temporarily assign bargaining unit employees to work in non-bargaining unit positions for a period not to exceed twelve (12) consecutive months. These temporary assignments may be used for purposes including, but not limited to, trial supervisory roles, administrative support, or other operational needs outside the jurisdiction of the bargaining unit. This does not apply to employees who accept a permanent position outside the bargaining unit.

Prior to the start of any temporary assignment, the Employer shall provide written notice to the Union that includes the employee's name, the nature of the assignment, the anticipated duration, and whether the duties may affect jurisdictional lines. The Union may raise any concerns regarding the proposed assignment through the labor-management process.

During the period of temporary assignment:

- A. The employee shall retain all previously accrued bargaining unit seniority and shall continue to accrue additional seniority in their permanent job title and classification under the bargaining unit agreement.
- B. The employee shall retain the right to return to their former bargaining unit position at the conclusion of the temporary assignment, provided the duration does not exceed twelve (12) consecutive months.
- C. The Union shall retain the right to file grievances on behalf of the employee for any matters arising during the assignment that affect the employee's status, rights or conditions or employment under the collective bargaining agreement.

- D. The employee shall continue to receive health and welfare benefits equivalent to those provided under the collective bargaining agreement, unless otherwise mutually agreed.

6.1.9 Seniority and Temporary Assignments/Upgrades. An employee working on a temporary work assignment or temporarily upgrades to a higher job title will not accrue seniority in the temporary assignment. The employee will continue to accrue seniority (job title/classification) within his/her regular job title. An employee shall not sacrifice future rights through failure to exercise his/her seniority or bidding rights.

6.1.9.1 Qualifications being satisfactory, the employee selected for Personal Leave relief should be chosen according to job seniority within the crew or equivalent group.

6.1.10 Seniority and Temporary, On-call and Seasonal Employees. Temporary, On-calls, and Seasonal employees do not accrue seniority per Section 6.1.1, Seniority Definitions. Nor do they have any bidding rights per Section 6.2, Posting and Bidding Procedure.

6.2 Posting and Bidding Procedure.

6.2.1 Notwithstanding any other provision of this Agreement, Grant PUD shall have the unrestricted right of selection or hire for all Entry Level, On-call, Seasonal, Student and Temporary jobs. Temporary for the purpose of this Section shall be jobs lasting less than six (6) months. Except as otherwise agreed, On-Call, Student, Seasonal and Temporary jobs of less than 90 days shall be exempt from posting and bidding. Grant PUD may consider, at its discretion, the application of any utility employee when filling these positions.

- A. Openings will not be posted for bid for those jobs where the parties have agreed to automatic progression. However, bids shall be issued where headquarters or shift preference is involved.
- B. An employee who wishes to bid on an entry level job may do so. .
- C. For the purpose of this Section, job openings shall be considered openings created by vacancy or the initiation of a new job.
- D. Temporary jobs of more than 90 days duration, but less than six (6) months shall be bid, unless as otherwise designated in Article 9.
- E. Bid Eligibility – Employees who do not meet the following qualifications shall be considered ineligible bidders for the purpose of advancement or transfer to a different job title. This restriction does not apply to – Headquarters changes within the same job title or shift changes within the same job title. In order to determine whether an employee meets the qualifications for a posted bid position the following factors shall be reviewed:
 - a. Disciplinary Record – To be eligible the employee must not have received a written disciplinary action within the twelve (12) months prior to the bid closing date. Documented coaching's do not apply.
 - b. Minimum Job Qualifications – To be eligible the employee must meet all minimum requirements as stated in the applicable job description, including but not limited to time-in-job, training and experience, and other requirements are met.
 - c. Testing /Assessments – To be eligible, the employee must achieve established passing scores on required tests or assessment, as outlined in Career Ladder or related agreements.

6.2.2 All job postings shall be posted throughout the utility either by email or via Grant PUD's intranet (a copy shall be furnished to the Union via email). Such posting shall indicate the probable duration of the job.

- A. Vacancies shall be posted for bid for a period of not less than seven (7) days. An employee desiring another job that may be posted during an approved leave may file a standing bid for such a job for the duration of the leave. After the closing date of internal openings, a list of those bidding will be furnished the Union and all Shop Stewards.
- B. The utility shall advise the Union and all Shop Stewards within 21 (twenty-one) calendar days after the closing date as to whom it intends to award the job. However, for those positions that require testing and interviewing, this 21 (twenty-one) calendar-day notice requirement may be exceeded.
- C. It shall be the responsibility of the bid applicant to provide all information in the bid which the employee feels important to proper consideration of his/her qualifications.

6.2.3 The utility may make temporary assignments to facilitate this Bidding Procedure.

6.2.4 When vacancies are anticipated in a job title which may create vacancies in other headquarters and or shifts, the utility may elect to post one bid notice covering all locations where vacancies are anticipated. Regular employees qualified to bid on such vacancies will submit one bid indicating the preference of locations, if any.

6.2.5 Special Bid Considerations-Transfer to New Jobs.

- A. When vacancies occur, employees shall be advanced, in accordance with their seniority and desire, to the highest job title for which they possess the necessary qualifications. There may be exceptions described in this Agreement covering the selection for certain Work Classifications or job titles. In all cases of promotion, transfer, demotion and lay-off of personnel, the following factors shall be considered: Knowledge, skill, ability, training, and fitness for duty.
- B. It is further understood and agreed that Grant PUD shall not award a position to an employee spouse or close relative, however senior and qualified, if the result would be a reporting relationship with inherent actual or potential conflict of interest. The parties agree that Grant PUD's policies pertaining to the Employment of Relatives and Code of Ethics for public employees will govern.
- C. Employees awarded job bids shall begin to accrue seniority in the new job title on the date of award. However, the pay rate of the new job title shall not commence until the employee begins performing the duties of the job. The transfer of the successful bidder(s) to the new job may be delayed for up to 45 calendar days from date of award when interviewing and testing is required to fill the resulting, bottom-line openings.

6.2.6 When making selections to fill Foreman or other bargaining unit lead position (those who direct work, such as Foreman, Supervising Foreman, Sr.'s Lead Workers) vacancies, the factors considered shall be prior work performance, disciplinary record, training supervisory skill and ability, technical knowledge and ability, work experience, efficient and safe direction of workers, knowledge of the collective bargaining agreement and Grant PUD policies, as well as seniority. This special reference indicates agreement between the parties concerning qualifications to become Foreman or bargaining unit leads. The standards set forth require that a Foreman, Sr. or Lead employee be above the average required for normal advancement.

6.2.6.1(a) Grant PUD may elect to establish an administrative policy that provides a uniform method for Foreman selection that is acceptable to the Union according to the following guidelines:

- A. A Union/Management Committee (4/2) selects from internal applicants to fill Foreman/Senior Operator pool.
- B. Establish annual testing process for applicants to get in pool.

- C. Require a score of 80% or higher on tests or evaluations administered by the interview and selection committee for the candidate to be included in the qualified pool.
- D. Individuals must demonstrate satisfactory performance to maintain position in pool through evaluation process.
- E. Implement standard evaluation process and utilize defined performance criteria.
- F. Through Labor-Management, identify pool of trained interviewers and testers.

If no pool exists, all of the above guidelines shall apply; however, Item D is not applicable in the absence of an ongoing pool, and testing shall be conducted each time a Foreman position is posted.

6.2.6.1(b) Supervising Foreman/Chief Operators will be selected by:

- A. Management/Union Committee consisting of an equal number of bargaining unit employees and management employees, minimum of (3/3), who will review the candidates and make a recommendation, with final selection based on management right of selection from qualified internal candidates.
- B. Chief Operator job description will include 3 years of experience as Senior and a current Senior.
- C. Supervising Foreman job description will include 3 years of experience as Foreman and a current Foreman unless otherwise agreed to by the parties.

6.2.7 If, within the time provided in Section 6.2.2, the utility does not receive any bids for a posted job, or no employees with the required qualifications bids, the utility may fill the job by :

- A. Hiring from outside
- B. Appointing the least senior qualified employee, or
- C. Appointing any employee who bid the position and has demonstrated to the satisfaction of Grant PUD an ability to be trained for the position.

6.2.8 When both the Union and Grant PUD agree, the bidding procedure can be waived in favor of advancing the eligible employee(s).

6.2.9 Temporary Assignments. Notwithstanding other provisions of this Agreement, Grant PUD may offer, and employees may accept, temporary work assignments of ninety (90) days or less. Such assignments will be limited to personnel in the headquarters in which they occur. Such offers, if and when made, will be based on the appropriateness of the employees for the temporary assignment as determined by the utility. It is understood that such assignments are offered and accepted as being begun and ended without the payment of special shift rates, shortchange, or penalties avoided using temporary hires for such assignments.

6.3 Reduction-in-Force and Recall

6.3.1 Reduction-in-Force

6.3.1.1 In the event of reduction-in-force (RIF), Grant PUD shall identify all affected positions by Job Title and Headquarters. Grant PUD shall notify the Union and the affected employees in writing no later than two (2) weeks prior to the effective date of such reduction.

6.3.1.2 On the basis on District Seniority as defined in Section 6.1.1(c), affected employees may bump another bargaining unit employee under the following conditions. The bumping employee:

- A. has previously held full-time, regular employee status in or is qualified to perform the duties of the job title into which the employee desires to bump; and
- B. can exercise bumping rights only once for each RIF, unless subsequently bumped; and
- C. has more District seniority then the employee being bumped; and
- D. exercises bumping rights set forth herein within one (1) week from the date of the utility notice required by Section 6.3.1.1.

6.3.1.3 Employees exercising their rights under Section 6.3.1.2 will be allowed thirty (30) days in which to demonstrate proficiency in that job title or be reduced from the work force.

6.3.2 Recall

- A. Full-time, regular employees reduced from or within the utility work force shall retain rights to recall to the job title from which they were reduced for a period of two (2) years from the date of reduction, during which time they shall retain their seniority.
- B. During this two-year period, no employee shall be hired to fill a job title from which a bargaining unit employee has been reduced until and unless the reduced bargaining unit employee has been offered reinstatement to the job title from which reduced.
- C. Recall rights established by this Section are contingent upon the reduced employee keeping the utility informed of their current address and telephone number and, upon receipt of an offer of reinstatement, reporting for work within two (2) weeks of receipt of such offer.

6.3.2.1 During the two (2) year recall period, employees reduced form the workforce may accept Grant PUD offers of temporary work without affecting recall rights set forth in Section 6.3.2.

6.4 Pay Days

6.4.1 Grant PUD will pay employees at least twice a month and will maintain the presently designated paydays of every other Thursday.

6.4.2 Direct Deposit – Payment of wages will be made by direct deposit.

6.4.3 When the payroll system is unable to process a change in wages or benefits on the effective date, any increase to an employee's wage (step progression, etc.) shall be effective either at the beginning of the pay period in which the increase is issued if the increase occurs in the first pay week of that pay period, or at the beginning of the pay period following the date the increase is issued, if the increase occurs in the second pay week of the pay period. A pay week for this purpose is considered Friday through Thursday.

6.4.5 For annual general wage increases that have been negotiated (those that typically occur on April 1 annually), these increases will be implemented on the first day of the pay period in which effective date of the

increase falls. This practice shall remain in place until such time a new payroll system or process that can effective date increases is implemented.

6.5 Required Certifications and Licenses and Commercial Driver's License (CDL).

6.5.1 For employees who have completed their probationary period, the Grant PUD will pay the cost of maintaining a Commercial Driver's License (CDL) required of them by the utility, provided that a non-probationary employee who is promoted or transferred to a position which results in the utility requiring a CDL shall have the cost of obtaining and maintaining such CDL paid by the utility. Failure by the employee of any test for receipt of the CDL shall result in the employee bearing the expense of any subsequent training and re-testing costs.

6.5.2 Required Certifications and Licenses.

Certain positions within Grant PUD require employees to obtain and maintain specific certifications, licenses, or other professional credentials as a condition of employment. These requirements are identified in the applicable job description or position documentation and are essential to ensure employees possess the necessary qualifications to safely and effectively perform assigned duties.

Employees hired into, assigned to, or promoted into positions requiring a certification or license must obtain the required credentials within the timeframe specified in the applicable job description, unless otherwise provided below. Failure to obtain or maintain such certification or license within the established timeframe will constitute failure to meet the minimum qualifications for the position. In such circumstances, Grant PUD may take appropriate employment action, which may include reassignment, demotion, or termination of employment.

Employees who are required to obtain a CDL shall have up to twelve (12) months from the date of hire or placement into the position to successfully obtain and maintain the required CDL. This timeframe supersedes any CDL – related timelines stated in job descriptions. Employees who fail to obtain the required CDL within this twelve (12) month period shall be subject to termination of employment.

If issues arise that are outside the employee's control which prevent timeline completion of a required certification or license – such as unavailability of required training, testing or coursework - Grant PUD, Union Representative and the employee work together to establish a revised completion date specific to that employee, certification/license/credential and circumstance. The extension shall be documented and communicated in writing. Employees who fail to obtain the required certification, license or credential within the extended timeframe shall be subject to termination of employment.

This requirement is not intended to be punitive in nature, but reflects the essential qualification of the position. Any employment action taken under this provision during an employee's probationary period as defined in Section 6.1.3, shall not be subject to the grievance and arbitration procedure. Employment action taken after the completion of the probationary period shall be subject to the grievance and arbitration procedure.

ARTICLE 7

GENERAL WORKING RULES

7.1 Work Week and Work Shift Schedules

7.1.1 Regular Shift

- A. The five (5) days, Monday through Friday, with two (2) consecutive days, Saturday and Sunday off, shall constitute a workweek. A workweek begins based on employee's shift assignment and ends 168 hours later.
- B. The eight (8) hours from 8:00 AM to 12:00 Noon and 1:00 PM to 5:00 PM shall be the workday. The one (1) hour from 12:00 Noon to 1:00 PM shall be the lunch period.
 - (1) NOTE: Based on employee's shift assignment, the lunch period may be ½ hour, 12:00 Noon to 12:30 PM, with end of regular shift at 4:30 PM.
 - (2) The workday shall be considered to begin and end at Midnight.
 - (3) Exceptions to these hours may be established to meet the conditions in particular cases by mutual agreement of the parties.
- C. Work hours expressed in Section 7.1.1 (B) may be changed by mutual agreement by the employee and Supervisor provided the employee shall start between 6:00 AM and 9:00 AM. This agreement shall be made during work hours for prospective work schedules. Such hours shall be considered regular working hours, and Saturday, and Sunday will remain regular scheduled days off. In the event no mutual agreement of work hours is reached, work hours in Section 7.1.1 (B) shall apply. This principle may be applied to schedules provided in Section 7.1.2 (B)

7.1.2 Other Shifts

Grant PUD may establish Day Shifts, Dedicated Shifts, Rotating Shifts, or Specified Shifts as are necessary for the conduct of its business. Work rules for rotating and other special shifts are covered in Article 8.1.

7.1.2.1 Non-Rotating Shift Employees

A. Day Shift – 10 Hour Shift

The Alternate Work Week provided for herein is an exception to the workweek specified in 7.1.1. Such an Alternate Work Week will be implemented if seventy-five percent (75%) of the employees in a crew or equivalent group indicate willingness to such an exception and the District's management agrees to such an exception.

Guidelines

- (1) Workday hours for four 10-hour day schedules will be ten (10) consecutive hours beginning between 6:00 AM and 9:00 AM, with the exception of one-half hour or one hour for lunch, all as agreed between the parties.
- (2) The workweek schedule for employees working four 10-hour days shall be:

- a. Monday through Thursday, or
 - b. Tuesday through Friday.
- (3) All overtime hours worked outside the regular 10 hour, four-day schedule shall be at the premium rate (2X).
- (4) Personal Leave, Floating Holidays and Jury Duty absences will be charged hour for hour, for absences during regularly scheduled hours.
- (5) With mutual consent between the supervisor and the employee, the employee may work five (5) eight-hour (8) days due to training, Personal Leave, Jury Duty (employees working any shift other than day shift refer to Section 5.7.1), or other appropriate circumstances. In such case, the schedule change shall occur following scheduled days off.
- (6) Work on a holiday will result in eight (8) hours of holiday pay and premium pay (2X) for all hours worked on the holiday.
- (7) The Union or the District may terminate application of the Alternate Work Week to any crew or equivalent group by providing ten (10) days of notice to the other party, whereby the regular shift of 7.1.1 would apply.

B. Dedicated Shifts

Notwithstanding the above, Grant PUD may establish regular Swing and Graveyard shifts.

Employees on second (Swing) shifts will work either:

- A. five (5) days a week for seven (7) hours and forty-five (45) minutes but will be paid for eight (8) hours followed by two consecutive days off;
- B. four (4) days a week for nine (9) hours and forty-five (45) minutes but will be paid for ten (10) hours followed by three consecutive days off.

Employees on third (Graveyard) shifts will work either:

- A. five (5) days a week for seven (7) hours and thirty (30) minutes but will be paid for eight (8) hours followed by two consecutive days off.
- B. four (4) days a week for nine (9) hours and thirty (30) minutes but will be paid for ten (10) hours followed by three consecutive days off.

Straight-time rates and working conditions governing regular working hours shall prevail. Saturday and Sunday shall be the regular scheduled days off.

7.1.3 Shift Change – Non-Rotating Employees

- A. When an employee is assigned to any shift other than the one the employee has bid, the employee shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours. Except as provided for hereinabove, the employee will be paid at the regular straight-time wage rate for such shifts.
- B. When changing shifts, employees shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the employees shall receive straight-time plus penalty pay,

the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.

7.1.4 Specified Shift

- A. When necessary, if work is to be done on any specified job, such work may be organized on a shift basis. Employees assigned and transferred to such shifts shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours. Specified shifts shall not be established for work which can be performed with the same efficiency and productivity during the workweek specified in Section 7.1.1 (A) and (B).
- B. In the case of a shift change for more than 40 hours, the employees will be paid at the regular straight-time wage rate for the 41st hour and after. Working conditions governing regular working hours shall prevail for any eight (8) or ten (10) hour shift. Grant PUD may, at its discretion, deny leave during such periods of work.
- C. In cases of required training, emergency, non-routine and non-scheduled maintenance, or situations of 40 hours or less where work on the specified job is not practicable, employees working such shifts may be required to perform work other than that for which the shift was originally established. Employees assigned and transferred to such shifts shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours.

7.1.5 Workdays and Work Schedules for Rotating Shift Personnel (RSP)

- A. Rotating 12-Hour Shifts
This provision authorizes the parties to establish rotating 12-hour shifts that are covered in Article 8 and/or by Letters of Agreement referenced in Appendix B.
- B. Rotating 8-Hour Shifts
 - (1) The workweek of all RSP shall be adjusted so that employees will have two (2) consecutive days off in seven (7) days, unless otherwise mutually agreed to by the Union and Grant PUD. In shift changes, RSP shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
 - (2) The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
 - (3) When changing shifts, shift or relief workers shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the worker shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.
 - (4) Employees working a Rotating Shift schedule may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.
- C. Relief Work – Rotating Shift
 - (1) With less than ten (10) hours of notice, a relief worker whose shift is changed shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade pay) for the first eight (8) hours worked.

- (2) If a relief worker has been scheduled off on a holiday and then is rescheduled to work the holiday with less than six (6) days of notice, the worker shall receive straight-time plus penalty pay plus holiday pay, the three combined equaling triple time (three times the base or appropriate upgrade rate) for the first eight (8) hours worked.

Shift workers who have had a minimum of eight (8) hours off duty shall not be required to take time off their regular shift as a result of working overtime or as a result of working on a holiday.

7.1.6 Inclement Weather – Work Assignments

It is recognized that at times weather conditions experienced in the utility service area are beyond that to which an employee can safely work. The utility agrees that under such conditions, employees may be assigned work in a protected area. The intent of this provision is to reaffirm the utility's willingness to recognize inclement weather as a valid reason for a Supervisor to assign alternate duties in a reasonable amount. The Union recognizes that emergency work involving danger to life or property must be performed, regardless of weather conditions. Determination as to what constitutes inclement weather will normally reside with the first line of supervision. However, inclement weather determinations or cases in doubt will promptly be referred to the next higher level of supervision for concurrence and/or reassignment of work.

7.1.7 Lack of Work Provision

Unless relieved at their own request, employees relieved from duty except for cause during the first half of the day or shift shall receive not less than one-half ($\frac{1}{2}$) day's pay; if relieved, after having been on duty more than one-half ($\frac{1}{2}$) day, they shall receive a full day's pay.

7.2 Overtime Provisions

7.2.1 Overtime Rate. Employees shall be allowed overtime at the rate of double time for all time worked other than the employee's regularly scheduled day or shift. No pay shall be allowed while eating or sleeping.

7.2.2 Overtime Definitions

- A. Scheduled Overtime – When employees are notified prior to leaving work, such time worked shall be known as "scheduled overtime." Employees shall report for work at the designated time and headquarters.
- B. Hold Over Overtime – Employees who continue to work at the end of their regular shift will receive the overtime rate for the additional actual time worked.
- C. Callout Overtime – When an employee is called to report for an overtime assignment, such overtime shall be "callout overtime."

7.2.3 Scheduled Overtime

- A. Minimum compensation is three (3) hours at the straight-time rate of pay, unless the overtime assignment is contiguous with the employee's regular shift, in which case overtime payment will be actual time worked.
- B. Employees who are scheduled for overtime work and who receive notice of cancellation of such overtime less than twelve (12) hours prior to the time scheduled to work shall receive two (2) hours pay at the straight-time rate.

7.2.4 Callout Overtime

- A. Employees shall be paid at the overtime rate from the time they reach their headquarters or reporting place until they go on their regular shift or are relieved from duty, plus payment of one (1) hour at the overtime rate.
- (1) Minimum Call compensation shall be three (3) hours at the straight-time rate of pay. Employees called out are subject to working during the full period for which callout is paid.
 - (2) Overtime paid within one (1) hour prior to the regular shifts shall be limited to actual time worked.
- B. Remote Callout Overtime – When overtime work can be performed remotely by an employee with remote-work capabilities and a remote work agreement, the employee shall perform the work remotely. If the employee is unable to perform the overtime work remotely due to an internet outage, system access issue, power outage, or natural disaster, or if an employee is closer to a worksite where they perform their work the employee may report to the worksite and shall receive travel pay in accordance with Section 7.2.7.
- (1) Employees shall be paid at the overtime rate from the time they begin performing work until they go on their regular shift or have completed the call out assignment or are relieved from duty.
 - (2) The minimum call-out compensation for remote call-out overtime shall be thirty (30) minutes at the overtime rate of pay.

If the duration of the remote call-out exceeds thirty (30) minutes, the employee shall be compensated at the overtime rate for actual time worked up to one (1) hour.
If the remote call-out exceeds one (1) hour, the employee shall receive the applicable overtime call-out minimum compensation as provided in Section 7.2.3(A).
 - (3) Overtime paid within one (1) hour prior to the regular shifts shall be limited to actual time worked.

7.2.5 Rest Period/Return to Duty

- A. Employees who work four (4) or more hours during the eight (8) hour period immediately prior to the beginning of their regular shift or have worked more than sixteen (16) consecutive hours, shall either continue at the overtime rate (except intermission for meals) or be relieved from duty for not less than eight (8) consecutive hours. The rest period shall begin immediately following completion of the overtime work. Returning to work during or after this eight (8) hour rest period shall be at the direction of the Supervisor.
- B. For the conditions and hours worked set out in Section (a) above, the following shall apply:
- (1) In the event of a call-out, when all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight-time rate for the regular shift.
 - (2) For scheduled overtime, when all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight-time rate for

one-half (1/2) of the regular shift not worked. The employee may choose to use Personal Leave or take leave without pay for the non-paid portion of the regular shift.

- (3) If an employee is called back to work during the employee's rest period, the employee will be paid at the overtime rate for all hours worked until the employee has been provided a rest period of eight (8) or more continuous hours.
- (4) An employee will not be required to return to work after the eight (8) hour rest period if three and one-half (3 ½) or fewer hours remain on the employee's regular shift unless otherwise directed by the employee's supervisor, when an emergency exists or when the person is needed to fill a crew component so the crew work can continue.

7.2.6 Rest Period/Return to Duty Power Delivery, Telecom & Fiber Services

A. Employees who work overtime of four (4) or more hours prior to the beginning of their regular shift, will be relieved from duty for not less than eight (8) consecutive hours rest period. If an employee works more than sixteen (16) consecutive hours, the employee will be entitled to a rest period of eight (8) consecutive hours upon the completion of the overtime work.

B. For scheduled overtime:

(1) When all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight time rate for any part of their regular shift that a rest period overlaps.

(2) An employee will not be required to return to work after the eight (8) hour rest period if three and one-half (3 ½) or fewer hours remain on the eight (8) hour work scheduled or four and one-half (4 ½) hours remain on the ten (10) hour work schedule shift unless otherwise directed by the employee's supervisor for business needs. The employee may choose to use Personal Leave or take authorized Leave Without Pay for the remaining portion of the regular shift.

7.2.7 Travel for Overtime Work

Under the following conditions employees scheduled to work overtime will be paid one-half- (1/2) hour of the overtime rate for travel time only when travel to a work site is required:

- A. When scheduled to work for less than a full shift that does not fall immediately prior to or after a regular shift, except when notified of the schedule before the end of the last regular shift.
- B. When given less than two (2) hours advance notice to work a full shift at the overtime rate. When given at least two (2) hours of notice to work a full shift at the overtime rate, travel time will not be paid for.

7.2.8 Employees who are scheduled for overtime work and who receive notice of cancellation of such overtime less than twelve (12) hours prior to the time scheduled to work shall receive two (2) hours pay at the straight-time rate.

7.2.9 Calls and Electronic Communications at Home to Perform Compensable Work

A. Compensable Work

Consistent with Washington State wage and hour law, if an employee is contacted by the Employer outside the employee's regular scheduled shift by telephone, text message, email, video call, or other

electronic means and is expressly directed by the Employer to perform compensable work, the employee shall be paid for all time actually worked. Compensable work includes substantive job-related duties that are not de minimis.

B. Minimum Compensation

When such off-duty contact requires the employee to perform substantive compensable work, the employee shall receive a minimum of thirty (30) minutes of pay at the applicable overtime rate per occurrence.

C. Actual Time Worked

If the total time spent performing compensable work exceeds thirty (30) minutes, the employee shall be compensated for the actual time worked, rounded in accordance with applicable law and the Employer's established timekeeping practices.

D. Multiple Contacts

Multiple contacts related to the same work matter occurring within a single thirty (30) minute period shall be treated as one occurrence for purposes of the minimum compensation described above.

E. Examples of De Minimis, Non-Compensable Communications

The following are examples of brief or incidental communications that do not constitute compensable work, provided they do not require substantive job-related duties and do not exceed de minimis thresholds under Washington law. These examples are illustrative and not exhaustive. If such communications cumulatively exceed de minimis thresholds or require substantive work, they shall be treated as compensable:

- a. Acknowledging receipt of a message (e.g., "OK," "Got it," or similar).
- b. Responding to availability or scheduling inquiries without performing scheduling work.
- c. Receiving informational messages, reminders, or notifications that do not require action.
- d. Brief clarification questions that do not involve analysis, decision-making, or follow-up work.
- e. Reading or reviewing an email or text that does not require a substantive response or task.

F. Examples of Compensable Work

The following are examples of off-duty communications that generally constitute compensable work when required by the Employer. These examples are illustrative and not exhaustive:

- A. Performing scheduling functions, including arranging coverage, approving or denying leave, or making schedule changes.
- B. Investigating, analyzing, or resolving customer, operational, or employee issues.
- C. Providing work-related direction, instruction, or decision-making affecting operations.
- D. Accessing systems, databases, or work platforms to complete job-related tasks.
- E. Participating in extended or substantive work-related calls, emails, or text exchanges requiring problem-solving or follow-up.
- F. Scheduling Duties Customer Service Representatives— If assigned scheduling duties, calls pertaining to scheduling for personal leave considerations outside the employees regular shift, the thirty (30) minute minimum shall be in effect, however multiple calls within the same thirty (30) minutes will not result in an additional thirty (30) minutes overtime payment unless the actual time of the phone call exceeds the thirty (30) minutes, then pay will be for actual time on the phone. Please note, scheduling duties can shift back to being a management responsibility at management's discretion.
- G. There is no job jeopardy to employees who are not available to receive home phone call(s).

7.3 Meal Periods and Special Meal Provisions

7.3.1 Normal mealtimes for employees will begin at: (except for mutually agreed shifts)

	<u>Day Shift</u>	<u>Swing Shift</u>	<u>Graveyard Shift</u>
Breakfast	6:30 AM	2:30 PM	10:30 PM
Lunch	12:00 Noon	8:00 PM	4:00 AM
Dinner	6:00 PM	1:00 AM	9:00 AM
Midnight Meal	12:00 AM	7:00 AM	3:00 PM

These mealtime starts may be changed and can occur up to six (6) hours after the beginning of the shift by mutual agreement of the parties.

7.3.2 In lieu of a specific identified meal allowance, other wages in amounts defined in Article 9 of this Agreement shall be added to each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.

7.3.3 When work is being performed on the utility's facilities at a location which would require an absence greater than the meal period length, the employees shall carry their meals to be eaten at the job site unless otherwise notified by the utility. Employees who do not normally carry a lunch will be notified.

7.3.4 Other provisions of this Agreement notwithstanding, employees called out shall be entitled to a meal break only after they have worked a minimum of one and one-half (1½) hours.

7.3.5 Lunch time may be moved without penalty as much as one-half (1/2) hour earlier or later when necessary to promote work continuity. An employee who is unable to eat lunch within this window shall be provided a lunch period and shall receive one-half (1/2) hour pay at the regular straight-time rate. This is not to be considered time worked.

7.4 Travel Time

7.4.1 Employees shall travel from shop to shop on utility time and shall report at shop headquarters in which they are regularly employed.

7.4.2 When conditions are such that an employee is assigned, temporarily, to a headquarters which is closer or equal in distance to that of his home to his permanent headquarters, then the employee shall report directly to the temporary headquarters.

7.5 Headquarters

7.5.1 Established headquarters shall be designated for each full-time, regular employee by the utility.

- A. Transfer from one established headquarters to another shall not be affected for any period of less than three (3) months.
- B. Employees being dispatched from headquarters to headquarters or back shall travel on utility time, at utility expense.
- C. Grant PUD may assign temporary headquarters for on-the-job training during the probationary period and for training as outlined and agreed-upon in career ladders.

7.5.2 Grant PUD, at its option, may establish temporary headquarters at any location where suitable board and lodging can be obtained or provided but the determination as to whether such headquarters are temporary or permanent shall be made and the employees so notified in advance of transfer.

7.5.3 Board and lodging shall be furnished for all employees sent on temporary out-of-headquarters work. This rule does not apply to Noon-day meals, when employees start from and return to headquarters every day; provided employees are notified on the day next previous that they will be away from headquarters at Noon meal time; nor does it apply to employees hired for any particular job which may be outside of the headquarters.

7.5.4 Employees being dispatched to or from permanent headquarters to temporary headquarters will be paid regular wage rate for time consumed in traveling and traveling expenses. Grant PUD will pay actual expenses for lodging and per diem for meals per Grant PUD policy while employees are working out of temporary headquarters.

7.6 Journeyman Examination and Career Ladder Progressions

7.6.1. The parties acknowledge that certain positions within Grant PUD require journeyman-level knowledge, skills and abilities, or progression through designated Career Ladders, in order to safely and effectively perform essential job duties. Successful passage of the Journeyman examination, or completion of the required benchmarks, assessments and qualifications identified in the applicable Career Ladder, within the timeframe specific in the applicable job description or Career Ladder framework, is a critical qualification standard necessary to ensure employee competency, system reliability and public safety.

The intent is to ensure that employees who are hired into, assigned to, or promoted within position requiring journeyman status or governed by a Career Ladder achieve the necessary qualifications in a timely manner. If an employee does not successfully pass the Journeyman examination or achieve the required Career Ladder benchmarks within the established timeframe, the employee will not have met the minimum qualifications for the position or level. In such circumstances, Grant PUD may take appropriate employment action which may include reassignment, demotion, or termination from employment.

This requirement is not intended to be punitive in nature but rather reflects the essential qualifications required for certain positions and levels.

7.6.2. Employees hired directly into a journeyman-level classification from outside the organization ("off the street"), must pass the Journeyman Examination prior to the end of their probationary period. Employees are required to take the exam within six (6) months of their hire date. During this period, the employee will receive reasonable access to training, materials and opportunities necessary to demonstrate competency. Employees who have been unsuccessful in passing the examination within twelve (12) months from their date of hire shall be separated from employment in accordance with 6.1.3.

7.7 Dual Pay Rates

7.7.1 An employee placed on temporary assignment to a higher paying job title shall receive the rate of pay of the higher job title that represents an increase for the time worked in the higher job title. The minimum upgrade for Foreman shall be two (2) hours.

Except, individuals upgraded for a full regularly scheduled shift before and after the holiday or the calendar day before the holiday will be paid the upgraded rate during the holiday.

7.8 (Open)

7.9 Safety Rules

7.9.1 Safety Rules as adopted by the Department of Labor and Industries of the State of Washington shall be considered as a part of this Agreement.

7.9.2 Grant PUD agrees to furnish protective shields and first aid sets for the protection of employees working on any work where protective apparatus is needed.

7.9.3 The Union and Grant PUD have agreed to establish a Personal Protective Equipment (PPE) Committee. See LOA #52

7.10 Apprentices

7.10.1 All Apprentices, upon completion of the apprenticeship training period and satisfactorily passing an examination given by the Union, shall be advanced to the Journeyman rate until such time as a headquarters opening occurs for a Journeyman. An Apprentice having served his/her apprenticeship shall not be removed in favor of a new Apprentice. Upon the recommendation of the Joint Apprenticeship Committee, an Apprentice shall be advanced one (1) apprenticeship pay classification at the completion of each six (6) months of satisfactory work as an Apprentice. There shall not be more than one (1) Apprentice to every crew of from two (2) to six (6) Journeymen; provided, however, upon recommendation of the Joint Apprenticeship Committee, the ratio of Apprentices may be altered for specific training purposes.

Upon entering the Apprentice program an Apprentice waives all right to bid headquarters but may be transferred to other headquarters and/or crews for training purposes notwithstanding other provisions of this Agreement. For such purposes, and when recommended by the Apprenticeship Committee, the Apprentice shall provide his/her own transportation if assigned to a headquarters for three (3) months or more and will travel on his/her own time.

Consistent with the Apprenticeship Standards, Apprentices will work under the direct supervision of a Journeyman.

7.11 Forced Transfers

7.11.1 In forced transfers, following the appropriate posting and bidding procedures, the utility will announce an excess of employees in a Job Title at an established headquarters/shift. Employees declared surplus and those subsequently displaced shall be entitled to displace less senior employees in their Job Title at another headquarters/shift, provided they have Job Title seniority over the employee being displaced. Those displaced employees who were not involved in the actual bid process shall be given up to twenty-four (24) hours to choose an assignment when a choice of assignments exists.

7.12 Exchange of Jobs and Transfers

7.12.1 With the approval of the Grant PUD and the Union, exchange of jobs may be made by mutual agreement with the persons involved.

7.13 Training and Associated Travel Compensation Guidelines

A. The employee and the management supervisor will meet at the time of approval by Grant PUD and will clarify in advance whether training and travel is required or optional, how the training and travel will be compensated and agree to potential work schedule changes. See the utility's worksheet to determine whether training and travel is required or optional.

B. Training outside of the utility.

- (1) When training and associated travel is required, Grant PUD will pay for utility-approved training and travel as follows:
 - a. The employee will be paid for regularly scheduled work hours and will be compensated for registration expenses, transportation and room and board as outlined in Grant PUD policy.
 - b. Any hours incurred over 40 regular hours in the workweek will be paid at the rate of one and one-half times (1.5 x) of the regular rate for overtime hours up to the amount of training time and associated travel time that workweek (rather than the double time of Section 7.2.1, Overtime Rate).
- (2) When training and associated travel is not required, and the utility approves training and travel because it's considered mutually beneficial:
 - a. The employee will be paid for regularly scheduled work hours, and will be compensated for registration expenses, transportation and room and board as outlined in Grant PUD policy.
 - b. No overtime will be incurred or paid for training time and associated travel.
- (3) Work schedules may be changed by mutual agreement to accommodate the training.

C. Training held within the utility.

- (1) When training and associated travel is required, the training will be considered the same as a work assignment. The applicable CBA provisions shall apply.
- (2) When training and associated travel is not required, and the utility approves the training and travel because it's considered mutually beneficial:
 - a. The employee will be paid for regularly scheduled work hours and will be compensated for registration expenses and transportation as outlined in Grant PUD policy.
 - b. No overtime will be incurred or paid.
- (3) Work schedules may be changed by mutual agreement to accommodate the training.

7.14 (Open)

7.15 Hand Tools - Replacement

Grant PUD, on the recommendation of the Supervisor, shall replace unrecoverable, broken or worn out hand tools regularly used on the job. "Unrecoverable" shall be defined as hand tools lost in areas where retrieval is not possible or practical. This provision will include body belts.

ARTICLE 8

SPECIAL WORKING RULES

By Classification Groups

8.1.1 Line Construction and Maintenance

8.1.1.1 Line Crews

- A. With respect to work rules, the nature of the jobs shall dictate the resource and labor requirements, such that the work can be performed safely. This principle, and those of Section 1.1.5, shall apply and cover any cases of conflict.
- B. Line crews shall consist of a line Foreman, one (1) Journeyman lineman and at least one (1) other qualified employee who may be, but not limited to, other Journeyman, Apprentices, Equipment Operators, Groundman or Toolman.
 - (1) Overhead line crews, who work on or around energized conductor(s) and/or apparatus, are to have a minimum of three (3) Linemen, one (1) of whom shall be Foreman. The basic crew may be supplemented with additional personnel either on a temporary or permanent basis.
- C. Whenever crews are combined temporarily so that the combined crews total more than four (4) employees and involve more than one (1) Foreman, the senior Foreman shall then supervise. The other Foreman shall work as a crew member without reduction in pay.

8.1.1.2 Temporary Upgrade

- A. A line crew Foreman may be required to supervise other Foremen and/or assume the duties of their supervisor. In these cases, the employee will receive temporary upgrade to supervising Foreman for such time spent performing these duties.
- B. It is recognized that the number of crews may have to be temporarily reduced due to the lack of manpower during periods of leave. In such cases employees with the permanent rate of Foreman shall not be reduced in pay status and shall work as linemen.

8.1.1.3 It is recognized that Apprentices should be given as comprehensive work experience as possible. To this end, it is agreed that they may be used with Servicemen, with all regular crews and to fill temporary crew vacancies for work which they are qualified. An Apprentice in the last two periods may permanently replace one Lineman on a crew for work for which the Apprentice is qualified. Nothing in this clause shall restrict or modify the work provisions of the Apprenticeship Agreement.

8.1.1.4 Trouble Calls After Hours - Distribution System

- A. Two (2) employees shall be dispatched on trouble calls between dusk and dawn, and on weekends and holidays, except as otherwise described below.
- B. The initial investigation of unknown or questionable trouble within Grant PUD's service area or when the employee is advised to go to a specific location and report the trouble, may clearly be assigned to one (1) Journeyman at any hour of the day or night.

- C. Turn-ons and shut-offs at any hour are clearly the work of one (1) Journeyman, except for individual agreements to cover absence of Journeyman.

8.1.1.5 Climbing Allowance

Each Journeyman Lineman, Apprentice Lineman, Line Foreman, Journey Level Tree Trimmer, Apprentice Tree Trimmer, and Foreman Tree Trimmer in the Line Department who have completed six (6) months of continuous employment as of December 31 each year will individually be granted a climbing allowance equal to their current respective Journeyman rate plus other wages as defined in Article 9 multiplied by two thousand eighty (2080) hours multiplied by one and one-half percent (1.5%) plus one and one-half percent multiplied by the employee's individual overtime related gross wages actually paid for the payroll year. This climbing allowance will be paid in the first payroll run of February. The utility will supply safety belts, replaceable gaffs and hook straps.

Employees who have completed two (2) years of continuous service and separate from employment in good standing shall receive a prorated climbing allowance based on the portion of the payroll year worked.

The prorated amount shall be calculated based on the section above, except that instead of two thousand eighty (2,080) hours, it will be calculated based on the number of regular days worked by the employee during the payroll year. The prorated climbing allowance will be paid in the employee's final paycheck where practicable, and in all cases, no later than the next regularly scheduled payday following separation.

For purposes of this section, separation in good standing means the employee has provided the employer with proper notice of resignation (at least two weeks' notice), has satisfactorily performed their duties through their final day of employment, and is not subject to active disciplinary action or an ongoing investigation into conduct that could result in discipline or termination. Employees who are terminated, resign while under investigation, or resign in lieu of disciplinary action shall not be considered to have separated in good standing and will not be eligible for a prorated climbing allowance.

8.1.1.6 See LOA #52

8.1.1.7 When employees perform mutual aid work at other utilities, the regular overtime sections of this contract will be in effect, with the following exception: Employees who accept a mutual aid assignment while on shift shall begin accruing overtime immediately upon acceptance of the assignment. Employees who accept a mutual aid assignment while not on shift shall begin accruing overtime upon reporting to Grant PUD headquarters. Employees shall remain on overtime status, excluding meal and rest periods, until such time as they have returned to Grant PUD.

8.1.1.8 Special Work Rules for Tree Trimmers

- A. Tree Crews shall consist of a Tree Foreman, and at least one other qualified employee who may be but not limited to other Tree Trimmer, Equipment Operators, Groundman or Toolman.
- B. Whenever crews are combined temporarily the senior Foreman shall then supervise.
- C. Journey Level Tree Trimmers, and Foreman Tree Trimmers shall be a part of their own overtime call out groups in the automated call out system.

8.1.3 In the Electrical Shop:

- A. When three (3) or more employees in the same classification, two (2) of whom are Journeymen, are assigned to work in the same crew without supervision, one (1) will be rated as Foreman.
- B. When four (4) or more employees in different work classifications, one (1) of whom is a Journeyman, are assigned to work in the same crew without supervision, one (1) will be rated as Foreman.

- C. A Foreman may be required to supervise other Foremen who remain in their supervisory status. In these cases, the employee will receive a temporary upgrade to Supervising Foreman for such time spent performing these duties.

8.1.4 (Open)

8.1.5 Hydro Operators

- A. Hydro operation classifications shall consist of Chief Powerplant Operator, Senior Powerplant Operator, Journeyman Powerplant Operator, and Apprentice Powerplant Operators engaged in the operation of a hydro operating station and its associated switchyard.
- B. Whenever overtime is involved to cover a shift, an operator of equal classification to the one replaced shall be used whenever such operator is available.
- C. The workweek of all hydro operators shall be adjusted so that said operators will have two (2) days off in sequence in seven (7) days, unless otherwise mutually agreed to by the Union and Grant PUD. In shift changes, operators shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
- D. The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
- E. Operators will work a Rotating Shift schedule and may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.

8.1.5.1 Hydro Operator Rotating 12-Hour Shift

See LOA #11.

8.1.5.2 Rotating 8-Hour Shifts

- A. The workweek of all RSP (Rotating Shift Personnel) shall be adjusted so that employees will have two (2) consecutive days off in seven (7) days, unless otherwise mutually agreed to by the Union and the utility. In shift changes, RSP shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
- B. The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
- C. When changing shifts, shift or relief workers shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the worker shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.
- D. Employees working a Rotating Shift schedule may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.
- E. Relief Work – Rotating Shift

- (1) With less than ten (10) hours of notice, a relief worker whose shift is changed shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade pay) for the first eight (8) hours worked.
- (2) If a relief worker has been scheduled off on a holiday and then is rescheduled to work the holiday with less than six (6) days of notice, the worker shall receive straight-time plus penalty pay plus holiday pay, the three combined equaling triple time (three times the base or appropriate upgrade rate) for the first eight (8) hours worked.
- (3) Shift workers who have had a minimum of eight (8) hours off duty shall not be required to take time off their regular shift as a result of working overtime or as a result of working on a holiday.

8.1.6 Hydro Plant Maintenance

- A. Hydro Maintenance crews shall consist of Foremen, Journeymen, Apprentices, and Hydro Maintenance Assistants engaged in the installation, repair, replacement and maintenance of powerplant structures, equipment and related property.
- B. When three (3) or more employees in any one work classification, two (2) of whom are Journeymen, are assigned to work in the same crew without supervision, one (1) will be upgraded to Foreman.
- C. When four (4) or more employees in different work classifications, one (1) of whom is a Journeyman, are assigned to work in the same crew without supervision, one (1) will be upgraded to Foreman.
- D. A crew Foreman may be required to supervise other Foremen when working on or in the powerhouse and other areas under his/her responsibility. In these cases, the employee will receive a temporary upgrade to power plant Foreman for such time spent performing these duties.
- E. The ratio of Hydro Maintenance Assistants to Journeymen, including Foremen, shall not exceed one (1) Hydro Maintenance Assistant to three (3) Journeymen/Foremen. Such ratios to be based on total project personnel.
- F. When Apprentices are included and/or assigned to Maintenance crews, there shall be no more than one (1) Apprentice to each Journeyman Mechanic or Electrician.
- G. If a Foreman is assigned to supervise more than ten employees, the Foreman will receive a temporary upgrade to the Power Plant Foreman rate during the time more than ten employees are assigned to the Foreman.
- H. In lieu of a stipend for cavitation repairs, other wages in amounts defined in Article 9 of this Agreement shall be added to Journeyman Mechanic wages for each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.
- I. The Union agrees to allow the Grant PUD to temporarily or permanently assign headquarters to qualified Machinists (Journeyman Mechanics) without bid by mutual agreements between the utility, the Steward representing the new assignment, and the requested employees.
- J. All Wanapum locations are designated as the same headquarters.
- K. Employees who are asbestos certified will be compensated at 1.5 times of the regular rate for work involving asbestos removal (two hours minimum) and overtime will be compensated for 3 times the regular rate. This section does not apply to Facilities personnel.

8.1.6.1 Hydro Plant 10-Hour Shift

- A. Workday hours for four 10-hour day/night schedules will be ten (10) consecutive hours. Day shift will begin at 6:00 AM and end at 4:30 PM Night shift will begin at 4:00 PM and end at 2:15 AM with employees paid for 10 hours of regular shift. The lunch period will be one-half hour for lunch, or as agreed between the parties.
- B. The workweek schedule for employees working four 10-hour days shall be Monday through Thursday.
- C. All overtime hours worked outside the regular 10 hour, four-day schedule shall be at the premium rate (2X).
- D. Personal Leave and Jury Duty absences will be charged hour for hour, for absences during regularly scheduled hours.
- E. With mutual consent between the supervisor and the employee, the employee may work five (5) eight-hour (8) days due to training, Personal Leave, Jury Duty (employees working any shift other than day shift refer to Article 5.7.1), or other appropriate circumstances. In such case, the schedule change shall occur following scheduled days off.
- F. Work on a holiday will result in eight (8) hours of holiday pay and premium pay (2X) for all hours worked on the holiday.

8.1.7 (Open)

8.1.8 (Open)

8.1.8.1 Senior System Operators 12-Hour Rotating Shift

The Employer and the Union have agreed to set up a twelve (12) hour rotating shift schedule for Senior System Operators at the Ephrata Headquarters, and relief work with eight (8) or twelve (12) hour days in accord with the posted Senior System Operator schedule.

- A. 12-hour shifts shall be:
 - 1. Days 0600 to 1800 hours
 - 2. Nights 1800 to 0600 hours
- B. The workweek for employees on the 12-hour shift begins at 22:01 PM Saturday and ends at 22:00 PM the following Saturday.
- C. Present hourly wage rates for Senior System Operators will be converted to bi-weekly wage rates based on the present hourly rate times 2080 divided by 26. Pay days and pay periods remain the same.
- D. When the normal workweek exceeds forty (40) hours, to comply with the federal Fair Labor Standards Act (FLSA), the remaining hours in the regular schedule shall be paid at one and one-half times (1 ½x) the regular hourly pay rate. That is, the time and one-half rate shall apply from the forty-first (41st) through the forty-eighth (48th) hour of a normal shift if scheduled and worked.

- (1) Note: It is understood that since straight-time pay for the 41st through 48th hours is included in the base (monthly) wage rate, the overtime factor will appear as an additional one-half times ($\frac{1}{2}x$) per hour, a total compensation of one and one-half times.
- E. All hours worked outside the normal twelve (12) hour shift schedule shall be paid at the double-time (2x) rate. This applies to overtime in excess of twelve (12) hours in a workday or forty-eight (48) hours, if so scheduled, in a workweek.
- F. Holidays:
- (1) Holiday premium (2x) will be paid for all hours worked on an actual Holiday. In addition, each Senior System Operator will receive eight (8) hours Holiday pay (1x), which is a continuation of the current practice.
- (2) Senior System Operators who are not needed for work and are released to observe the Holiday shall be paid as follows:
- a. Employees may use four (4) hours paid leave, in addition to eight (8) hours Holiday pay; or
- b. Employees who have exhausted all accrued paid leave shall use eight (8) hours Holiday pay only. The remaining hours would be non-compensation hours.
- G. Personal Leave and Jury Duty absences shall be charged hour-for-hour when taken during regularly scheduled hours at the regular pay (1x). It is understood that such hours taken off work schedules otherwise 44 or 48 hours in length reduce or eliminate the payment of time and one-half to cover normal work hours in excess of forty (40). (Example: An employee on a 48-hour workweek who takes eight hours annual leave is paid straight-time for that week, not 40 hours plus eight hours at one and one-half times.)
- H. Employees scheduled on relief will work a relief week beginning at 22:01 on Saturday and end at 22:00 the following Saturday. The relief week will consist of four (4) eight-hour days scheduled from 0800 to 1600 hours. Relief week personnel will not be scheduled for less than an eight (8) hour day.
- I. Relief shift assignments shall provide coverage for any or all the seven (7) days within the relief week schedule. Whenever possible, relief days during the relief week will be scheduled as a block (that is, grouped together).
- J. During the thirty-two (32)-hour relief week, employees may be assigned to work one of the following schedules:
- (1) Four (4) eight (8)-hour days;
- (2) Two (2) twelve (12)-hour and one (1) eight (8)-hour days;
- (3) Three (3) twelve (12)-hour days.
- K. All hours that exceed forty (40) hours shall be paid at the double-time (2x) rate. It is understood that if the scheduled hours between thirty-two (32) and forty (40) are worked, they are paid at the straight-time rate.

8.1.8.2 Station Operators

- A. After Hour Call-Outs. The following guidelines apply for after hour callouts of the Station Operator:

- (1) Operations internal to the Substations such as the circuit switcher opening, breakers tripping or station fuses blowing, represent large area outages. When this occurs, it requires the callout of a Station Operator.
- (2) Circuit switcher operations will still require the immediate notification to the designated supervisor. Callout on all other outages will remain at the discretion of the Senior Power System Operator.

8.1.9 (Open)

8.1.10 (Open)

8.1.11 Hydro Project Employees

See Article 9 reference to "Other Wages".

8.1.12 Regulatory Certification - Water/Wastewater Certification

In lieu of an annual stipend for employees who are required to obtain and maintain formal certification for the handling of wastewater and hazardous material, other wages in amounts defined in Article 9 of this Agreement shall be added to each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.

8.2 Temporary and On Call Employees

8.2.1 General Temporary Employees

The utility may hire temporary bargaining unit employees to provide additional support during peak workloads, training, and to cover for full-time, regular employees on leave.

Temporary bargaining unit employees:

- A. Shall be paid the job title rate plus one dollar (\$1) per hour. These rates are further understood to be in lieu of paid benefits, including any obligation to provide prior notice of termination.
- B. Shall be paid two times (2X) the rate assigned below for each hour of overtime worked. However, full-time, regular employees shall have first option to work any overtime for which qualified and available.
- C. Shall work only assignments of less than six (6) months duration. An employee who has worked at least one thousand (1,000) hours in such capacity may not be rehired for three (3) months.
- D. Shall not be used to replace full-time, regular employees nor shall regular employees be laid off while temporary employees perform work those regular employees are qualified to do.
- E. Are represented by Local 77 of the I.B.E.W. in all matters pertaining to wages, hours, and working conditions. The Union shall require payment of working dues after seven (7) days of employment.
- F. Other than for normal work rules, shall not be covered under any other provisions of this Agreement unless specifically identified and agreed to by the parties.

8.2.2 On-Call Employees

Grant PUD may hire on-call bargaining unit employees to provide additional support during peak workloads, training, and to cover for full-time, regular employees on leave.

On-call bargaining unit employees:

- A. The employees will be regarded as a temporary employee as defined in Section 8.2.1 above, except that such assignments may be for a longer period. This is, "on-call" indefinitely if the employee does not work full-time for six (6) consecutive months.
- B. Progression toward Step increases shall be based on the actual number of scheduled hours worked. That is, six (6) month progression Step would occur upon completion of 1,040 hours of regularly scheduled work.
- C. On-call employees shall pay union dues on a prorated basis on the number of scheduled hours worked in a month (up to a maximum of 173 hours).

8.2.3 Temporary Craft Employees

The employees will be regarded as a temporary employee as defined in Section 8.2.1 above, except wage rates are as follows:

- A. Temporary Construction Linemen will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Northwest NECA-IBEW Local 77 Collective Bargaining Agreement. Example: The construction rate, plus cash amount of benefits, equals the straight-time hourly rate.
- B. Temporary Hydro Mechanics will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Building Trades, Millwrights Local 1607, collective bargaining wage schedule.
- C. Temporary Hydro Electricians will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Building Trades, IBEW Local 191, collective bargaining wage schedule.
- D. Temporary Hydro Operators will be paid the hourly Grant County PUD rate, plus 12.5% payment in lieu of benefits.
- E. Temporary Power System Electricians will be paid at the hourly rate, plus payment in lieu of benefits expressed and in effect as per IBEW Local 191, collective bargaining wage schedule.

Upon request, the Union will provide duly recognized wage schedules/rates for the abovementioned job titles.

8.2.4 Continuous On-Call Flagger

A Continuous On-Call Flagger will be regarded as a temporary employee, except that such an assignment may be for a longer period [i.e., on-call indefinitely if the employee does not work full-time for six (6) consecutive months].

- A. Continuous On-Call Flaggers shall not replace full-time, regular employees.
- B. Continuous On-Call Flaggers shall be scheduled to work 6 AM – 4:30PM

- C. Continuous On-Call Flaggers' time will start when they arrive at their headquarters and end when they return to headquarters.
- D. Minimum call to work shall be four (4) hours.
- E. The utility will provide all training and certification.
- F. The utility will provide all personal protective equipment to perform flagging duties.
- G. Flaggers will transport signs and flagging equipment to and from the job site.
- H. Continuous On-Call Flaggers will be provided a utility vehicle to and from the job site.
- I. Step II progression will occur upon completion of 1040 hours of regularly scheduled work.
- J. Continuous On-Call Flaggers' hourly rate is per Article 9 and they will receive an additional one dollar (\$1) per hour in lieu of fringe benefits
- K. Continuous On-Call Flaggers will pay working dues times the hourly rate times actual hours worked.
- L. Overtime shall be paid in accordance with Section 7.2.

8.3 Other Classification Categories

8.3.1 This Agreement recognizes the establishment of career ladders in certain Work Classifications. Progression from job to job will be as provided in the career ladders.

8.3.2 (Open)

8.3.3 Seasonal Employees

- A. Employees assigned as Fish Counters, Fish & Wildlife Specialists, Seasonal Lands and Recreation workers and aides, and Seasonal HMAs, shall be seasonal employees if they are expected to work more than six (6) months in a calendar year. They shall accrue all employee benefits during the period on pay status on a prorated basis with the exception that they will not be allowed to participate in the Grant PUD's Deferred Compensation program. Their wages shall be computed on the hourly rate, but they shall work only those days posted on the schedule unless notified otherwise. They will receive two (2) Floating Holidays if they work 8 months or less and two (2) Floating Holidays per calendar year.
- B. Employees assigned as Fish Counters, Fish & Wildlife Specialists, Meter Readers, and HMAs, shall be temporary employees if they are expected to work six (6) months or less in a calendar year. In such cases, they shall be paid and receive benefits in accordance with Section 8.2.1. If they stay on longer than six (6) months due to unanticipated factors, the utility would continue the same pay amount without benefits. This would include moving an individual to other temporary work assignments. Total temporary work assignment not to exceed twelve (12) months of continuous employment.
- C. Grant PUD will consider the applications of temporary and seasonal Fish Counters, Fish & Wildlife Specialists, Meter Readers, and Seasonal HMAs, when filling full-time, regular vacancies which occur throughout the utility; however, such consideration shall not result in any preference or priority for such employees and such employees do not have bidding or seniority rights.

8.3.4 Student Helpers and Interns

- A. Student Helpers and Interns are employed as temporary employees. Student helpers may assist the regular work force in work it normally does and/or may perform work the regular force normally does not do. Recognizing that such students may be hired for either bargaining unit or non-unit work; the provisions below apply to those assigned bargaining-unit-type work.
- B. Students will not be used to replace full-time, regular employees.
- C. Students doing bargaining unit work are represented by Local 77 of the I.B.E.W. in all matters pertaining to wages, hours, and working conditions. The Union does not charge such students dues. Grant PUD will, however, provide such students with a Union Letter of Instruction at time of employment or re-employment. The utility will follow contractual procedures in notifying the Union of such employment. Further, the utility will notify the appropriate Union Steward when a student is hired.
- D. When students are assigned to perform work in the Line Department, Electric Shop, or Warehouse areas, the Foremen in those areas will be notified of their presence and purpose.
- E. Students assigned to bargaining unit crews in the Line Department, Electric Shop, or Warehouse will be in addition to the regular crew makeup and will work under the direction of the crew Foreman. Assignment of student(s) to a line crew will be with permission of the line crew Foreman.
- F. Student Helpers/Interns are paid in accordance with Article 9 of the Collective Bargaining Agreement. The rates are understood to include "other pay" in accordance with Article 9 of the CBA and are further understood to be in lieu of all paid benefits, including any obligation to provide prior notice of termination.
- G. Other than for normal work rules, and wages as specified in Article 9, students shall not be covered under any other provisions of this Agreement unless specifically identified and agreed to by the parties.

8.3.5 Limited Assignments

- A. For work known to last more than six (6) months but less than two (2) years, the Utility may hire bargaining unit employees with the title of "Limited Assignments" under the following conditions:
 - (1) The assignment will be bid, and the position will be designated as a "Limited Assignment." The bid will include the estimated life of the assignment or be shown as "known to last less than two (2) years." The bid will also designate the reason for the assignment.
 - (2) A full-time, regular employee bidding and being awarded such an assignment will not be given the "Limited Assignment" designation; that designation will pass to the employee hired to "fill in behind" the full-time, regular employee.
 - (3) An employee with the "Limited Assignment" designation shall have all the benefits (as and when the Agreement provides them) provided to full-time, regular employees. This shall include the right to bid other assignments and to use acquired seniority after one year of continuous service. To lose the "Limited Assignment" designation, an employee must bid the position (same job title, other job titles and positions).
 - a. Deferred Compensation (401(a) and 457) will not be offered to Limited Assignment positions unless the employee has already been a full-time, regular employee in another position (benefit continuation). Employees that have not yet held a full-time, regular

position with the utility will be offered this benefit once they are offered full-time, regular employment.

- (4) Accrual of seniority under a "Limited Assignment" situation will not be applied in any way to bump an Apprentice out of his/her classification.
 - (5) At such time as a "Limited Assignment" ends, the employee with that designation at that time will have his/her service terminated. Grant PUD will notify the "Limited Assignment" employee two weeks prior to the termination date. At that point, a full-time, regular employee who has successfully bid the "Limited Assignment" work will be automatically transferred back to his/her prior headquarters and prior or equivalent work.
 - (6) Upon termination, a "Limited Assignment" employee is not entitled to any recall rights as provided in Section 6.3 of the Agreement. The terminated "Limited Assignment" employee may "bump" other "Limited Assignment" employees under the following conditions:
 - a. Senior "Limited Assignment" may "bump" less senior "Limited Assignment" within the same job title.
 - b. Individuals that "bump" may go beyond the two-year period to the extent of the displaced "Limited Assignment" time period.
- B. If and when it appears to the utility that such assignments will exceed two (2) years, the assignment will promptly be re-bid as a full-time, regular assignment and necessary adjustments in personnel shall be made.
- C. The utility will not bid the same job "back-to-back" as a temporary assignment (i.e., at the end of a "Limited Assignment" job, bid it again as a "Limited Assignment" job).

8.4 Retiree Medical Premium Program

Grant PUD will provide reimbursement for retiree medical premiums as follows:

- A. To be eligible for reimbursement, the employee must meet the following criteria:
- 1. Be age 55 with a minimum of 20 years of service with the utility
 - 2. Be age 60 with a minimum of 15 years of service with the utility
 - 3. Be any age with a minimum of 30 years of service with the utility
- B. Only full-time, regular employees will be eligible for the program, and only full-time, regular service will count. Temporary and part-time employees will not be eligible.
- C. For employees retiring on or after 6/1/2008, the coverage period will be 5 ½ years (five and one-half years) between age 59 ½ and age 65.
- D. Employee will be eligible to receive three (3) percent of the premium cost for retiree medical insurance for every year of service with the utility, but no more than the utility's share of the 'active employee' medical premium.
- E. The calculated premium percentage is based on the UIP medical insurance rate of an active employee (and spouse if eligible).

F. See HR Policy # HR-BEP-POL-420 for additional details on administration of the plan.

ARTICLE 9

COMPENSATION

9.1 Wage Scale

Term – Three (3) years 4/01/2026 through 3/31/2029
Wages are as designated in Article 9.

Year 1

April 1, 2026

Eight percent (8%) Wage increase for all bargaining unit members unless specifically agreed to otherwise. This increase consisting of four percent (4%) General Wage Increase and a four (4%) market adjustment.

In addition, the following titles shall receive an additional three (3%) market adjustment:

Groundmen; Hydro Maintenance Assistants; Customer Account Representatives; Student Helper; and Student Intern.

In addition, the following titles shall receive an additional four (4%) market adjustment:

Equipment Operator I and Engineering Technicians

In addition, the following titles shall receive an additional five (5%) market adjustment:

Material Specialist

The following bargaining unit leadership positions shall receive the following increase as shown below and as reflected on the wage table:

Position Title	2025	New Percentage
Supervising Foreman - All	120%	123%
Power Plant Operator Chief	120%	123%
Sr. I&C Technician	120%	123%
Electronic Foremen	120%	123%
Technician Foreman (Advanced Meter Relay)	120%	123%

Other Wages¹ Employees shall receive a one-time twenty-five cents (\$0.25) increase to “Other Wages” as shown on the wage table.

The above wage and “Other Wage” increases shall be retroactive to April 1, 2026, in alignment with section 6.4.5., provided this agreement is ratified by the Union no later than June 1, 2026.

Year 2

April 1, 2027

Four percent (4%) General Wage Increase for all bargaining unit employees unless specifically agreed to otherwise.

Year 3

April 1, 2028

Four percent (4%) General Wage Increase for all bargaining unit employees unless specifically agreed to otherwise.

9.2 Grant PUD shall ensure that no employee covered under this Agreement shall receive a rate of pay less than the applicable minimum wage as established under the laws and regulations of the State of Washington and relevant local regulations applicable to Grant PUD. In the event that an employee's wage rate is, for any reason, reduced to a level below the lawful minimum wage, the employer shall immediately adjust the employee's wage to an amount not less than the applicable statutory minimum. The adjustment shall take effect at the beginning of the pay period in which the new wage became effective. Related overtime will be based on the adjusted rate of pay.

Hourly Wage Rates

Dated April 1, 2026

		Beginning 4/1/2026 Dollars	Beginning 4/1/2027 Dollars	Beginning 4/1/2028 Dollars	Other Wages ¹
<u>LINE DEPARTMENT</u>					
		% of Lineman Journey Rate			
#*Foreman, Supervising	123%	84.75	88.14	91.67	1.10
Foreman, Line Crew	112.50%	77.51	80.62	83.85	1.10
Line Patrolman	112.50%	77.51	80.62	83.85	1.10
**Line Inspector II	112.50%	77.51	80.62	83.85	1.10
**Line Inspector I	100%	68.90	71.66	74.53	1.10
Serviceman	106%	73.03	75.96	79.00	1.10
Lineman - Journey Level Rate	100%	68.90	71.66	74.53	1.10
#Lineman Trainee	74%	50.99	53.03	55.15	0.75
#Lineman Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90
Equipment Operator II	88%	60.63	63.06	65.59	0.75
Equipment Operator I		51.35	53.40	55.54	0.75
Toolman - Power Delivery	91%	62.70	65.21	67.82	0.75
		% of Tree Trimmer Journey Rate			
Foreman Tree Trimmer	112.5%	63.18	65.71	68.34	0.75
Tree Trimmer - Journey Level Rate	100%	56.16	58.41	60.75	0.75
#Tree Trimmer Apprentice					
Step 7	91%	51.11	53.15	55.28	0.75
Step 6	88%	49.42	51.40	53.46	0.75
Step 5	86%	48.30	50.23	52.25	0.75
Step 4	83%	46.61	48.48	50.42	0.75
Step 3	80%	44.93	46.73	48.60	0.75
Step 2	77%	43.24	44.98	46.78	0.75
Step 1	74%	41.56	43.22	44.96	0.75
Head Groundman #		46.31	48.16	50.09	0.75
*Groundman					
Thereafter		40.08	41.68	43.35	0.75
3rd 6 months		36.75	38.22	39.75	0.75
2nd 6 months		33.39	34.73	36.12	0.75
1st 6 months		30.61	31.83	33.10	0.75

Flagger					
	~Thereafter	29.08	30.24	31.45	0.35
	~1st 6 months	26.49	27.55	28.65	0.35

ELECTRICAL SHOP

	% of PSE Journey Rate				
Foreman, Substation	112.5%	77.51	80.62	83.85	0.65
Station Operator	100.0%	68.90	71.66	74.53	0.65
#*Foreman, Supervising Electric Shop	123%	84.75	88.14	91.67	0.65
**Electric Shop Inspector II	112.5%	77.51	80.62	83.85	0.65
**Electric Shop Inspector I	100.0%	68.90	71.66	74.53	0.65
Foreman, Power System Electrician	112.5%	77.51	80.62	83.85	0.65
Power System Electrician	100%	68.90	71.66	74.53	0.65
#Power System Electrician Trainee	74%	50.99	53.03	55.15	0.65
#Power System Electrician Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

	% of Advanced Meter Relay Tech 1				
Foreman, Technician	123%	84.75	88.14	91.67	0.65
Advanced Meter Relay Technician IV (CL)	115%	79.24	82.41	85.71	0.65
Advanced Meter Relay Technician III	110%	75.79	78.83	81.98	0.65
Advanced Meter Relay Technician II	105%	72.35	75.24	78.26	0.65
Advanced Meter Relay Technician I (Journey Level Rate)	100%	68.90	71.66	74.53	0.65

	% of Meterman Journey Rate				
Foreman Meterman	112.5%	77.51	80.62	83.85	0.65
Meterman - Journey Level Rate	100%	68.90	71.66	74.53	0.65
PSE Journeyman in Meter Training	100%	68.90	71.66	74.53	0.65
#Meterman in Training	74%	50.99	53.03	55.15	0.65
#Meterman Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

*Groundman					
	Thereafter #	40.08	41.68	43.35	0.65
	3rd 6 months	36.75	38.22	39.75	0.65
	2nd 6 months	33.39	34.73	36.12	0.65
	1st 6 months	30.61	31.83	33.10	0.65

TELECOMMUNICATIONS TECHNICIANS

% of Electronic Tech 1					
Electronic - Foreman	123%	84.75	88.14	91.67	0.65
Electronic Technician IV (CL)	115%	79.24	82.41	85.71	0.65
Electronic Technician III	110%	75.79	78.83	81.98	0.65
Electronic Technician II	105%	72.35	75.24	78.26	0.65
Electronic Technician I	100%	68.90	71.66	74.53	0.65

--- % of Fiber Network Tech

#*Fiber Network Technician Supervising Foreman	123%	72.89	75.80	78.84	0.50
Fiber Network Technician Foreman	112.50%	66.67	69.33	72.11	0.50
Fiber Network Technician	100%	59.26	61.63	64.10	0.50

**Fiber Network Inspector II	112.50%	66.67	69.33	72.11	0.50
**Fiber Network Inspector I	100%	59.26	61.63	64.10	0.50

Fiber Technician Apprentice 4	92.5%	54.82	57.01	59.29	0.50
Fiber Technician Apprentice 3	87.5%	51.85	53.93	56.09	0.50
Fiber Technician Apprentice 2	82.5%	48.89	50.84	52.88	0.50
Fiber Technician Apprentice 1	77.5%	45.93	47.76	49.68	0.50
Fiber Technician Trainee	75%	44.45	46.22	48.08	0.50

DISPATCHING

Power:

#Senior System Operator	97.84	101.75	105.82	0.45
#System Operator Trainee IV	82.59	85.89	89.33	0.45
#System Operator Trainee III	77.44	80.54	83.76	0.45
#System Operator Trainee II	75.86	78.89	82.05	0.45
#System Operator Trainee I	68.90	71.66	74.53	0.45

POWER PLANT OPERATIONS

--- % of Power Plant Operator

#*Power Plant Operator, Chief	123%	84.75	88.14	91.67	0.90
Operations Coordinator	120%	82.68	85.99	89.44	0.90
Power Plant Operator, Senior	112.5%	77.51	80.62	83.85	0.90
Power Plant Operator	100%	68.90	71.66	74.53	0.90
#Power Plant Operator Trainee	74%	50.99	53.03	55.15	0.90
#Power Plant Operator Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

POWER PLANT MAINTENANCE

--- % of Hydro Mechanic Journey Rate

#*Supervising Power Plant Foreman	123.0%	84.75	88.14	91.67	1.10
Foreman, Power Plant Mechanic	115.0%	79.24	82.41	85.71	1.10

Foreman, Hydro Mechanic	112.5%	77.51	80.62	83.85	1.10
Mechanic, Hydro	100.0%	68.90	71.66	74.53	1.10
#Mechanic Trainee	74%	50.99	53.03	55.15	0.90
#Mechanic, Hydro Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

#Hydro Planner-Mechanical (CL)

Thereafter	115%	79.24	82.41	85.71	0.85
2nd 12 months	110%	75.79	78.83	81.98	0.85
1st 12 months	107%	73.72	76.68	79.75	0.85

% of Electrician Journey Rate

Foreman, Power Plant Electrician	115%	79.24	82.41	85.71	1.10
Foreman, Electrician	112.50%	77.51	80.62	83.85	1.10
Electrician	100%	68.90	71.66	74.53	1.10
#Electrician Trainee	74%	50.99	53.03	55.15	0.90
#Electrician Hydro Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

#Hydro Planner-Electrical (CL)

Thereafter	115%	79.24	82.41	85.71	0.85
2nd 12 months	110%	75.79	78.83	81.98	0.85
1st 12 months	107%	73.72	76.68	79.75	0.85

Toolman		50.06	52.06	54.14	0.90

*Hydro Maintenance Assistant

Thereafter	#	40.34	41.95	43.63	0.90
3rd 6 months		34.21	35.58	37.00	0.90
2nd 6 months		27.94	29.06	30.22	0.90
1st 6 months		21.79	22.66	23.57	0.90

% of I&C Tech I

Instrument & Control Technician (CL)					
I&C Tech, Sr.	123%	84.75	88.14	91.67	0.95
I&C Tech IV	115%	79.24	82.41	85.71	0.95
I&C Tech III	110%	75.79	78.83	81.98	0.95
I&C Tech II	105%	72.35	75.24	78.26	0.95
I&C Tech I	100%	68.90	71.66	74.53	0.95

ENVIRONMENTAL AFFAIRS

#*Fish &Wildlife Specialist Foreman		115%	50.50	52.52	54.63	0.90
##Fish & Wildlife Specialist -		% of Fish and Wildlife Specialist Step 4				
	Step 4	100%	43.91	45.67	47.50	0.90
	*Step 3	95%	41.71	43.39	45.13	0.90
	*Step 2	90%	39.52	41.10	42.75	0.90
	*Step 1	80%	35.13	36.54	38.00	0.90
Fish Counters						
	Thereafter		28.75	29.90	31.10	0.65
	1st Season		25.69	26.72	27.79	0.65
LRM Foreman		115%	50.50	52.52	54.63	0.80
*LRM Worker		% of LRM Worker Step 3				
	Step 3	100%	43.91	45.67	47.50	0.80
	Step 2	95%	41.71	43.39	45.13	0.80
	Step 1	90%	39.52	41.10	42.75	0.80
	Entry level	80%	35.13	36.54	38.00	0.80
*LRM Aide						
	Thereafter		25.82	26.85	27.92	0.35
	2nd 6 mo		21.70	22.57	23.47	0.35
	1st 6 mo		20.24	21.05	21.89	0.35
#*Hazardous Waste Technician II			TBD	TBD	TBD	0.90
#* Hazardous Waste Technician I		100%	62.80	65.31	67.92	0.90
% of Planner I		% of Planner I				
#Environmental Affairs Planner (CL)						
	Planner II	103%	64.68	67.27	69.96	0.90
	Planner I	100%	62.80	65.31	67.92	0.90

FACILITIES

#*Facilities Electrician, Supervising Foreman		% of Facilities Electrician, Journeyman				
		123%	84.75	88.14	91.67	0.80
	Facilities Electrician, Foreman	112.5%	77.51	80.62	83.85	0.80
	Facilities Electrician, Journeyman	100%	68.90	71.66	74.53	0.80
#*Supervsing Foreman, Facilities Mechanical		% of Building Maintenance Worker				
		123%	59.77	62.15	64.64	0.80
	Foreman, Facilities Mechanical	112.50%	54.66	56.85	59.12	0.80
	Building Maintenance Worker	100%	48.59	50.53	52.55	0.80
*Facilities Serviceman						
	Thereafter		36.05	37.49	38.99	0.80
	2nd 6 months		31.73	33.00	34.32	0.80

1st 6 months	29.08	30.24	31.45	0.80

*Facilities Custodian

Thereafter	25.82	26.85	27.92	0.35

2nd 6 months	22.69	23.60	24.54	0.35

1st 6 months	19.59	20.37	21.18	0.35

OTHER

Service Expeditor	65.96	68.60	71.34	0.50

Courier	26.45	27.51	28.61	0.35

FLEET SERVICES (CL)

% of Fleet Services Journeyman Technician

Fleet Services Shop Foreman	115%	71.31	74.16	77.14	0.50

Fleet Services Shift Foreman	112.50%	69.76	72.55	75.47	0.50

Fleet Services Journeyman Technician	100%	62.01	64.49	67.08	0.50

Fleet Utility Parts Specialist II	83%	51.47	53.53	55.68	0.50

Fleet Utility Parts Specialist I	80%	49.61	51.59	53.66	0.50

Fleet Services Trainee	74.07%	45.93	47.77	49.69	0.50

#Fleet Services Apprentices

Step 6	88.48%	54.87	57.06	59.35	0.50

Step 5	85.63%	53.10	55.22	57.44	0.50

Step 4	82.79%	51.34	53.39	55.54	0.50

Step 3	79.87%	49.53	51.51	53.58	0.50

Step 2	76.95%	47.72	49.63	51.62	0.50

Step 1	74.07%	45.93	47.77	49.69	0.50

CUSTOMER SERVICE

## Customer Account Representative (CL)	43.98	45.74	47.57	0.50

*Customer Service Representative (CL)

#*Customer Support Specialist	41.58	43.24	44.97	0.50

**CSR IV	38.15	39.68	41.27	0.50

**CSR III	35.06	36.46	37.92	0.50

**CSR II	32.13	33.42	34.76	0.50

**CSR I	26.98	28.06	29.18	0.50

ENGINEERING TECHNICIAN-POWER PRODUCTION (CL)

% of Engineering Technician V

#* PP Sr. Engineering Technician	106%	59.94	62.34	64.83	0.75

PP Engineering Technician V	100%	56.55	58.81	61.16	0.75

PP Engineering Technician IV	50.78	52.81	54.92	0.75

PP Engineering Technician III	47.61	49.51	51.49	0.75

PP Engineering Technician II	44.77	46.56	48.42	0.75

PP Engineering Technician I				

2nd 6 Months	43.25	44.98	46.78	0.75

1st 6 Months	41.13	42.78	44.49	0.75

*PP Engineering Technician Trainee

2nd 6 Months	35.36	36.77	38.24	0.75

1st 6 Months	34.03	35.39	36.81	0.75

ENGINEERING TECHNICIAN-POWER DELIVERY (CL)

% of Engineering Technician V

#*PD Sr. Engineering Technician	106%	59.94	62.34	64.83	0.75

PD Engineering Technician V	100%	56.55	58.81	61.16	0.75
PD Engineering Technician IV		50.78	52.81	54.92	0.75
PD Engineering Technician III		47.61	49.51	51.49	0.75
PD Engineering Technician II		44.77	46.56	48.42	0.75
PD Engineering Technician I					
2nd 6 Months		43.25	44.98	46.78	0.75
1st 6 Months		41.13	42.78	44.49	0.75
*PD Engineering Technician Trainee					
2nd 6 Months		35.36	36.77	38.24	0.75
1st 6 Months		34.03	35.39	36.81	0.75

ENGINEERING TECHNICIAN-CUSTOMER SVC (CL)

% of Engineering Technician V					
#*CS Sr. Engineering Technician	113.6%	64.24	66.81	69.48	0.75
CS Engineering Technician V	100%	56.55	58.81	61.16	0.75
CS Engineering Technician IV		50.78	52.81	54.92	0.75
CS Engineering Technician III		47.61	49.51	51.49	0.75
CS Engineering Technician II		44.77	46.56	48.42	0.75
CS Engineering Technician I					
2nd 6 Months		43.25	44.98	46.78	0.75
1st 6 Months		41.13	42.78	44.49	0.75
*Engineering Technician Trainee					
2nd 6 Months		35.36	36.77	38.24	0.75
1st 6 Months		34.03	35.39	36.81	0.75

WAREHOUSE (CL)

% of Materials Specialist Thereafter					
#*Materials Specialist, Supervising Foreman	123%	56.31	58.56	60.90	0.75
Materials Specialist Foreman	113%	51.73	53.80	55.95	0.75
**Materials Specialist					
Thereafter	100%	45.78	47.61	49.51	0.75
4th 6 months		41.69	43.36	45.09	0.75
3rd 6 months		38.92	40.48	42.10	0.75
2nd 6 months		36.13	37.58	39.08	0.75
1st 6 months #		33.32	34.65	36.04	0.75

ENTERPRISE TECHNOLOGY

% of ETS Service Desk Specialist II Step 4					
#*ET Sr. Service Desk Specialist	106%	49.17	51.15	53.19	0.25
Enterprise Technology Service Desk Specialist II					
Step 4	100%	46.39	48.25	50.18	0.25
Step 3		44.96	46.76	48.63	0.25
Step 2		43.59	45.33	47.14	0.25
Step 1		42.22	43.91	45.67	0.25
Enterprise Technology Service Desk Specialist I					
Step 4		38.30	39.83	41.42	0.25
Step 3		35.88	37.32	38.81	0.25
Step 2		33.98	35.34	36.75	0.25
Step 1		32.04	33.32	34.65	0.25

SPECIAL

*Student Helper

~ Level 2	20.43	21.25	22.10	0.35
~ Level 1	18.58	19.32	20.09	0.35

*Student Intern

~ Level 2	26.59	27.65	28.76	0.35
~ Level 1	23.81	24.76	25.75	0.35

Unused Titles

Service Expeditor

Other Wages1:

These wages are averaged compensation for meals (Sec. 7.3.2), stipends. (Sec. 8.1.6(i)), premium pay (Sec. 8.1.11) and certifications (Sec. 8.1.12). This amount is added to the hourly wage for each straight time hour worked and will be added at double time for all overtime hours worked, and will be used as base wage to calculate all compensation and benefits.

* Entry Level Position

** Exempt from the bidding procedure where filled on a temporary basis for less than six (6) months

Right of selection

Bid position following automatic progression

##* Right of selection only from bargaining unit employees who bid the position/job

! 90% of Journey Lineman

~ Benefit exempt

CL-Career Ladder

ARTICLE 10

CONCLUSION

10.1.1 Nothing in these rules is intended or shall be used to violate municipal ordinances, state law, or safety standards, or any other legal public requirement, nor is it intended to allow public or personal danger to continue to the detriment of either the general public, Grant PUD or the employee. Any amendment to these rules shall be recorded in detail and shall show the time, the place, the employee affected and the reason for such amendment.

10.1.2 This Agreement incorporates all prior agreements and amendments thereto and it is intended to and does supersede all such prior agreements and amendments thereto.

This Agreement is subject to the approval of the International President of the International Brotherhood of Electrical Workers.

APPROVED: _____
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY

LOCAL UNION NO. 77, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS

By: _____
General Manager/, Grant PUD Date
CEO

By: _____
Business Manager Date

By: _____
Assistant Business Manager Date

Appendix A – Health Benefits Summary

CURRENT HEALTH INSURANCE PROGRAM SUMMARY

The following summary of health insurance terms (see, CBA Section 5.8 and subparts) apply under the Collective Bargaining Agreement, unless otherwise amended:

<u>Plan Year</u>	January 1 through December 31
<u>Medical Plan Options</u>	PPO or CDHP
<u>PPO Plan Design</u>	
Premium Cost Split	88%/12% (Employer/Employee)
Professional Office Visit	\$25 copay per visit
Deductible	\$500 Single/\$1,500 Family (annually)
Coinsurance %	80%/20%
Out-of-Pocket Limit (OOP)	\$2,000 Single/\$6,000 Family (annually)
<i>(OOP Limit includes deductible, copays, coinsurance, RX copays & RX coinsurance)</i>	
Prescription Tiers	Generic/Brand/3rd Tier
Cost per Tier	
Retail <i>(up to 30-day supply)</i>	\$10/25/50 copay per RX
Mail Order <i>(up to 90-day supply)</i>	\$10/50/100 copay per RX
<u>CDHP Plan Design</u>	
Premium	\$20 per month for all tiers ¹ ;
Annual HRA Contribution	Employee \$500/Spouse \$500/Child(ren) \$250
Professional Office Visit	Deductible/Coinsurance
Deductible	\$1,100 Single/\$2,200 Family (annually)
Coinsurance %	80%/20%
Out-of-Pocket Limit (OOP)	\$3,200 Single/\$6,400 Family (annually)
<i>(OOP Limit includes deductible, copays, coinsurance, RX copays & RX coinsurance)</i>	
Prescription Tiers	Generic/Brand/3rd Tier
Cost per Tier	
Retail <i>(up to 30-day supply)</i>	Deductible/Coinsurance (shared with medical)
Mail Order <i>(up to 90-day supply)</i>	Deductible/Coinsurance (shared with medical)
<u>PPO and CDHP Plans:</u>	
Virtual Care	\$10 copay per visit
<i>(General medical, mental health and substance abuse disorder)</i>	
Centers of Excellence	Deductible/Coinsurance waived for covered services; travel benefit (\$7,500) included, subject to IRS limits and plan requirements.

Plan Options Rate Structure: Tiered Rate (4 Tiers)¹

¹ The four (4) tiers for rates are: (1) Employee only, (2) Employee and Spouse, (3) Employee and Child(ren), and (4) Employee and Family. The UIP's benefits consultant will continue to provide to the UIP trustees recommendations for the new four (4) tiered rates. CWPU shall inform the Union of the new rates prior to implementation.

Medical Plan Design: Coverage for medical may be waived for dependents. Coverage for dental and vision may be waived by employees and dependents. Different tiers of coverage may be elected between medical, dental and vision plans. However, in order for dependents to elect dental and/or vision, the employee must also elect the same dental or vision coverage.

Employee contributions for vision and dental plans will be consistent with the employee monthly premium contribution percentage associated with the PPO Medical plan when an employee elects PPO as the medical plan. When the employee elects the CDHP as the medical plan, the employee shall not pay a monthly premium contribution for any tier elected in the vision plan or the dental plan.

HRA VEBA Wellness Contribution: \$150 monthly HRA VEBA contribution for employees who voluntarily participate in the employer provided wellness program.

Enrollment: The CDHP option will be the "auto enroll" plan; HRA VEBA contribution associated with CDHP enrollment to be contributed within sixty (60) days of election or auto enrollment in CDHP. VEBA contributions to be made to a "standard" VEBA, which allows for access to funds for qualified purposes while still employed.

Long-Term Disability Plan:

The employee shall have the option of choosing between a long-term disability Core Plan and Buy-Up Plan. The Core Plan provides for sixty percent (60%) of pre-disability earnings, up to \$6,300 maximum monthly benefit. The Buy-Up Plan provides for sixty-six and two-thirds percent (66 2/3%) of pre-disability earnings, up to \$10,000 maximum monthly benefit. The employee shall pay one hundred percent (100%) of group long-term disability insurance, by payroll deduction. The premium amount is based on the employee's straight time base wages.

Appendix B

Grant PUD and the Union have executed **Letters of Agreement** from time to time during the life of the previous Collective Bargaining Agreements between the parties. The Letters of Agreement currently in effect are the following, and any Letters of Agreement not listed herein below are no longer in effect.

Grant PUD and IBEW LOCAL 77 Letters of Agreement

LOA#:	Subject:	
1	Jurisdiction - Line & Power System Electricians	
4	Wanapum Employment	
7	Pre-Apprentice Program Guidelines	
8	Power Production Jurisdiction - Electricians and Mechanics	
11	Power Production Operations - 12 Hour Rotating Shift	
14	Environmental Affairs 3/12's Alternate Work Schedule	
15	Grandfathered Employees - Hydro Planners	
18	PL Cash-out to HRA VEBA Upon Retirement	
24	System Operator 12-Hour Shift (Dupont schedule)	
25	Medical Benefits for Temporary Employees	
26	Compensatory Time Off	
27	Power Production Foreman Pool and Upgrades	
29	Deferred Comp & Limited Assignment Employees	
35	Kept on Salary	
37	Lands & Rec Maintenance HQ and Schedules	
44	Paid Sick Leave Administration	
47	ET Service Desk Specialist I & II	
49	Foreman/Chief Delegated Responsibilities	
51	Supervising Foreman Agreement	
52	PPE Committee	
59	Security Cameras	
62	Foreman Selection-Power Delivery	
67	Service Desk Callout Initiation	

72	Organizational Development Limited Assignment Craft Training Duties	
74	Power System Electrician – Candidate Selection	
75	Customer Service Shifts	

81	Service Desk Shifts
84	Operations Coordinator Agreement
85	CSR Hybrid Work Agreement
91	Supervising Foreman Warehouse
92	Electric Shop Reorg Meter
93	Paydays
94	Leadership

Appendix C

Career Ladders that are in force and effect:

08/21/13	Power Production Engineering Technicians
04/07/16	Power Delivery Engineering Technicians
11/25/19	Materials Specialists & Foremen
09/28/12	Electronics Technicians
01/18/11	Hydro Planners
06/10/09	Fleet Services
11/06/08	I&C Technicians
09/24/08	Customer Service Representatives
07/22/08	Meter/Relay Technicians
07/22/08	Customer Service Engineering Technicians
02/22/19	Service Desk Specialists Career Ladder
04/23/18	System Operator Trainee Career Ladder

This listing does not include all correspondence between Grant PUD and the Union which may (1) interpret provisions of the Collective Bargaining Agreement; (2) be relevant in determining the meaning of such provisions; or (3) apply to individual situations as exceptions or exemptions from such provisions. The listing includes only those Letters of Agreement which amend, modify, add to, or delete from the language of the Collective Bargaining Agreement, and shall not preclude either party from utilizing other correspondence or grievance or arbitration settlements or awards for the purposes enumerated in this Paragraph. It is recognized by the parties hereto that the Letters of Agreement listed herein may be amended or superseded by the parties in negotiating a new Collective Bargaining Agreement.

COLLECTIVE BARGAINING AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
AND
LOCAL UNION 77 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

APRIL 1, ~~2023-2026~~ TO MARCH 31, ~~2026~~2029

~~2023~~2026

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COLLECTIVE BARGAINING AGREEMENT

PREAMBLE

This Agreement made and entered into this 1st day of April ~~2023~~2026,
by and between

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY,
hereinafter referred to as "Grant PUD or the "utility"."

and

LOCAL UNION NO. 77 of the INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
hereinafter referred to as "the Union."

ARTICLE 1

GENERAL CONDITIONS AND TERM

1.1 General Harmony Statement

1.1.1 Grant PUD and the Union recognize that harmonious relations should be maintained between them and with the public. Grant PUD, the Union and the public have a common and sympathetic interest in the progress of the electrical industry. All will benefit by adjusting any differences which may arise by rational, common-sense methods. The General Harmony Statement is included in this agreement to affirm the parties' mutual intent to work collaboratively and respectfully. Alleged concerns related to this statement may be raised and discussed through the grievance process and other labor-management forums; however, section 1.1.1 shall not be cited, interpreted, or enforced in arbitration and shall not serve as a basis for any arbitration decision or remedy.

1.1.2 It is recognized that supplementary written agreements, such as Letters of Agreement, exist regarding points not covered by this Agreement and it is the intent that they be and remain in force until otherwise terminated by mutual agreement. Such agreements will have the same force and effect as any other term or condition contained in the Collective Bargaining Agreement. When the guidelines outlined by the Letter of Agreement are silent on any specific issue contained within the Collective Bargaining Agreement, the provisions of the Collective Bargaining Agreement will prevail.

1.1.3 Grant PUD and the Union mutually agree there will be no discrimination, as set forth in applicable State or Federal law, against any employee or applicant for employment because of age, sex, race, creed, color, national origin, disability, sexual orientation, marital status, protected ~~Veterans~~ veterans status, or any other protected category under federal or state law and regulation. Any reference made in this Agreement to the male gender shall be considered to apply equally to male and female employees. (Per Section 4.2.1, this nondiscrimination section is not subject to the grievance or arbitration procedures set forth in this Agreement.) Grant PUD and the Union encourage an employee believing that ~~he/she~~ the ~~has~~ employee has been subject to unlawful discrimination to first seek relief through utility management in accordance with the utility's anti-discrimination and/or anti-harassment policies. If the matter is not satisfactorily resolved by Grant PUD management, then the employee may seek relief through the appropriate federal or state agency charged with investigating such matters.

1.1.4 Use of the term "permanent" with reference to Grant PUD employees is not defined as a guarantee of permanent employment.

1.1.5 Productivity Commitment

1.1.5.1 Grant PUD and the Union recognize the need to work efficiently, effectively, economically, and safely. To this end, the parties agree to the fundamental principles listed below. The intent of these principles is to make efficient use of personnel, their skills, time, and utility equipment and facilities. These principles shall be used to apply work rules found elsewhere in this Agreement, and whenever a specific work rule or portion thereof conflicts with these principles, the principles shall govern the work.

The principles are:

- A. The job determines the number of employees needed to do it.
- B. If it is safe anytime, it is safe all the time when like conditions prevail recognizing safe work practices are paramount.
- C. Equipment/material does not determine jurisdiction, but equipment/material can help determine the number of employees needed for a specific task.
- D. Composite work justifies use of composite crews with the recognition that present craft jurisdiction will be maintained.
- E. An employee at a job site may perform what he/she work the employee is qualified to do provided he/she is they are adequately trained.

~~1.1.5.2~~ See LOA #48

~~1.1.5.3~~ In carrying out the above principles, it is understood safe work practices shall be maintained. All work and certainly work in the electrical industry is done at some risk. It is the goal of Grant PUD and the Union to hold risk to a mutually acceptable level.

~~1.1.5.4~~ The decision and responsibility to determine crew size and composition rests solely with Grant PUD, provided that the Foreman of any utility crew who believes that working safely or safe work practices have been materially affected by crew size and/or composition in view of the work to be done, shall immediately advise management of his concern and the reason therefore. If management disagrees with the Foreman, the crew size and/or composition shall be adjusted to accommodate the Foreman's concern and the specific disagreement over safety shall be promptly referred to a labor-management committee for resolution. Resolution by the committee, or by any other means, shall be based upon OSHA/WISHA laws and regulations with the recognition OSHA/WISHA regulations are minimum safety standards and not all inclusive.

~~1.1.5.5~~ Implementation and application of these principles shall not, in and of themselves, cause or result in the loss of a job for a bargaining unit employee on the payroll as of the date of ratification and execution of a successor labor agreement.

1.1.5.5 – Engineering Development Assignments – Hands-On Experience – Grant PUD and the Union recognize the value of providing Engineers and Engineering Interns with opportunities to gain practical experience in operations. Such assignments shall be conducted under direct supervision, not count toward minimum crew size, and comply with all applicable laws, regulations, qualification standards, and safety rules. Energized or permit-required tasks are prohibited unless the individual already holds all required qualifications. Engineers and Engineering Interns may be assigned to work with bargaining unit employees to enhance technical knowledge and skills.

Parameters:

- A. Assignments shall support the development of knowledge of generation, transmission, and distribution systems and promote communication between Engineers, Interns, and bargaining unit employees.
- B. Assignments shall be determined by the appropriate Foreman or designee.
- C. No assignment shall exceed six (6) weeks.
- D. Engineers and Engineering Interns shall not displace regular full-time employees.
- E. Participation in this program shall not establish precedent.
- F. Hands-on participation is solely for education and development, not as a substitute for regular staffing or bargaining-unit work.
- G. Temporary participation for learning purposes shall not violate this Agreement, provided that:
 - a. the work remains primarily led and performed by bargaining unit employees;
 - b. assignments are limited in duration, scope, and frequency; and
 - c. prior to the commencement of any hands-on work, a safety briefing shall be conducted;
 - d. Management shall ensure that appropriate personal protective equipment (PPE) is available and that all safety rules, procedures, and supervision requirements are followed.

1.2 Period of Contract

1.2.1 For and in consideration of the promises and obligations of each party, the parties hereto establish and agree to the conditions of employment as herein set forth from April 1, ~~2023-2026~~ through March 31, ~~2026~~2029, and from year to year thereafter unless terminated.

1.3 Modification

1.3.1 If either party desires to amend or terminate the Agreement, they shall notify the other party in writing at least sixty (60) days prior to the anniversary date. The general subjects of such request shall be contained in the notice.

1.3.2 It is understood that neither party is obliged to entertain requests from the other for modification or amendment of the terms hereof or enlargement of this Agreement during its life. It is likewise understood that the Union makes no waiver of its rights as the bargaining agency for the employees covered hereunder except as may be expressly set forth herein.

1.4 Savings Clause Concerning Mandatory Laws

1.4.1 Nothing in this Agreement is intended or shall be used to violate any legal public requirement or safety standard. If during the term of this Agreement laws become effective which conflict with this Agreement, the parties shall amend such conflicting provisions only and all other provisions shall continue in full force and effect.

1.5 Negotiations

1.5.1 Union employees on duly authorized individual and joint negotiating committees will be paid by the utility for actual meeting time. A maximum of one hundred and twenty (120) hours pay will be provided for individual negotiations. Pay for those attending joint CWPU negotiations will be at fifty percent (50%). In any event, pay for either individual or joint bargaining shall not extend beyond April 1 of the year involved, unless mutually agreed. No overtime pay will be incurred by the utility either for employees attending negotiations or those who must replace them at work. The number of employees to be covered by this arrangement shall be subject to mutual agreement.

1.6 Use of Electronic Signature

1.6.1 Grant PUD and the Union agree that documents executed in connection with this Agreement may be signed and transmitted electronically. An electronic signature shall have the same force and effect as an original handwritten signature, to the extent permitted by law.

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This provision applies to documents such as Letters of Agreement (LOAs), Memoranda of Understanding (MOUs), grievance settlements, side agreements, extensions, and other written communications executed under this Agreement.

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Each party is responsible for maintaining records of electronically signed documents and may request confirmation of authenticity if a question arises. If either party determines that a wet (original) signature is necessary for a particular document, the parties will provide and accept handwritten signatures without affecting the validity of the agreement.

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ARTICLE 2 SCOPE OF AGREEMENT

2.1 Union Membership, Dues Deduction, And New Employee Information

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2.1.2 Employees within the job titles covered by this Agreement shall have the right to voluntarily become members of IBEW, Local 77 in accordance with the Union's rules.

2.1.43 Nothing in this Article shall be construed as denying Grant PUD the right to select its employees regardless of whether such employees are members of the Union. New employees may choose to become members of the Union at any time. All employees of Grant PUD coming within the classifications covered by this Agreement, may choose to share in the cost of maintaining and operating the Union as their collective bargaining agency, in accordance with its rules, and become members or agency fee payers. The foregoing provisions shall not be construed as denying the utility the right to select its employees regardless of whether such employees are members of the Union. It is the intent of the parties that the new employees may choose to become members of the Union or agency fee payers at any time.

2.1.4 Upon receipt of a valid, voluntary, written authorization from an employee, the Employer shall deduct Union membership dues from the employee's wages and remit such dues to the Union on a monthly basis, accompanied by a listing of employees for whom deductions were made and the amount deducted. Such deductions shall continue until revoked by the employee in accordance with the terms of the authorization.

2.1.5 The Union shall be provided an initial list of all bargaining unit employees. The names of unit employees subsequently hired will be supplied by the utility each month.

2.1.6 During new employee orientation, the Employer shall distribute a letter provided by the Union to employees newly hired into a job title covered by the Collective Bargaining Agreement, that introduces the Union, explains the Union's role as the exclusive bargaining representative, and provides information regarding voluntary Union membership and related forms and procedures.

2.1.7 The Union agrees to indemnify and hold Grant PUD, its officers, directors, agents, commissioners, employees, and former employees harmless against any and all claims, suits, order or other judgments, including all costs and attorney fees, involving the utility as a result of any dues deduction, and Voluntary Political Action Committee deductions, made or not made by the utility under the provisions of this Article or actions taken or not taken in relation to this Article. In addition the Union shall defend, indemnify, and hold harmless Grant PUD, its commissioners, officers, directors, employees, and agents from and against any and all claims, demands, actions, damages, liabilities, losses, or expenses including all cost and attorney fees arising out of or related to the authenticity, validity, or revocation of any dues authorization executed with an electronic signature, or from the Union's handling or transmission of such authorizations.

Notwithstanding the foregoing, upon discovery of any error or omission related to dues or deduction processing, the Employer shall take corrective action to address and remedy the issue within the next available payroll period.

2.1.8 Electronic Dues Authorizations.

Grant PUD and the Union agree that an employee's authorization for payroll deduction of union dues may be provided with an electronic signature in place of a handwritten one, consistent with applicable collective bargaining laws in the State of Washington.

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The Union will be responsible for maintaining accurate records of such authorizations and will provide confirmation or copies to Grant PUD upon reasonable request. Grant PUD may rely in good faith on information supplied by the Union when processing dues deductions.

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2.1.9 Voluntary Political Action Committee (PAC) Deduction:

- A. Grant PUD agrees to deduct voluntary contributions to the Union's Political Action Committee (PAC) from the wages of employees who voluntarily authorize such deductions in writing on a form mutually agreed upon by the Union and the Employer.
- B. Deductions shall be made in accordance with the written authorization form and shall be remitted to the Union's designated PAC account no later than thirty (30) days following the month in which the deduction was made, along with a listing of contributors and the amounts contributed.
- C. If an employee wishes to change their deduction amount, the employee must complete and submit a new PAC deduction form. The Employer shall implement such changes as soon as administratively practicable, but no later than two (2) full payroll periods after receipt of written notice.

All PAC deductions are strictly voluntary. Employees may revoke their authorization at any time by submitting written notice to the Employer, and Union. Such revocations shall be processed no later than thirty (30) days following the month in which the revocation was received. The Employer will not be obligated to process revocations until such notice is received.

2.1.10 If any portion of this section (2.1 Union Membership, Dues Deduction, And New Employee Information) is prohibited by law, such portion shall be deemed to have no force or effect, and the remainder shall remain in full force and effect. To the extent that any requirement in this section is permitted by law, whether presently or in the future, it shall be enforceable.

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2.2 Recognition, Rights, Responsibility and Picket Lines

2.2.1 Grant PUD recognizes, and throughout the term hereof will recognize, Local Union 77 of the IBEW as the sole and exclusive bargaining agency with respect to rates of pay, hours of work and other conditions of employment.

2.2.2 The Classifications and types of employment covered by this Agreement and wage scales therefore are shown in Article 9.

2.2.3 There shall be no strikes, work stoppages, slow-downs, interruptions, or other delays of work, of any nature, by bargaining unit employees, nor any lockouts by the utility during the life of this Agreement. The Union agrees to use its authority with its members to effect continuous service to the utility.

However, employees covered by this Agreement shall not be required as a condition of employment to pass through a legal picket line recognized by Local Union 77 of the IBEW, nor shall any form of discipline be brought against any employee refusing to pass through such picket lines, provided that:

- A. The picket line has had prior approval of the Local Union and is sanctioned by the appropriate Central Labor Council. Approval of a picket line by the Union shall be established as soon as possible but no later than 24 hours after the Union receives a status request from the utility. The Union's Business Representative or Business Manager shall advise the utility if the Union intends to honor the picket line.
- B. Employees shall be required to serve a customer who is not the object of the picketing. The Union will not refuse to service Grant PUD-owned equipment after the pickets are removed.

The Union recognizes that Grant PUD has an obligation which may require the dispatching of non-bargaining unit personnel to perform work which is the subject of a labor dispute and where Grant PUD's bargaining unit personnel have refused to cross a legal picket line. The Union agrees that in addition to the provisions above the Union shall not interfere with non-bargaining unit personnel so dispatched. It is understood that any Union employee willfully ignoring this understanding removes ~~himself~~ ~~themselves~~ from the protection afforded above. The Union will not bring charges through Union government against any non-bargaining unit employee who is following a directive issued by the utility management and which requires the crossing of a legal picket line.

2.3 (OPEN) Union Dues

~~2.3.1 Grant PUD will deduct membership dues from the wages of all employees who authorize such deductions by signing an "Authorization for Payroll Deduction of Union Dues." The utility will submit to the Union monthly payment and a listing of such deduction, giving the amount deducted opposite the employee's name. Such deductions shall continue until revoked by the employee.~~

~~2.3.2 The Union shall be provided an initial list of all bargaining unit employees. The names of unit employees subsequently hired will be supplied by the utility each month.~~

~~D. 2.3.3 The Union agrees to indemnify and hold Grant PUD, its officers, directors, agents, commissioners, employees, and former employees harmless against any and all claims, suits, order or other judgments, including all costs and attorney fees, involving the utility as a result of any dues deduction made or not made by the utility under the provisions of this Article or actions taken or not taken in relations to this Article.~~

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2.4 Discipline

2.4.1 Discipline will be carried out in accordance with ~~the~~ Grant PUD's policies and procedures based on just cause. In the case of a grievance regarding disciplinary action, the parties agree that the discipline will be based on just cause and the grievance process will be based on the utility's policies pertaining to discipline and no other Central Washington Public Utility District's administration of discipline.

2.4.2 If the Grant PUD intends to discipline a Union Steward because of an incident which occurred when the Steward was engaged in specific union Steward activities, then the utility will give the Union five (5) days-notice (workdays) of its intention. The same five (5) day notice shall apply to the Local Union 77 Executive Board Member where the Union has advised the utility as to the employee's name and term of office.

2.4.3 Fitness for duty will be carried out in accordance with ~~the~~ Grant PUD's policies and procedures.

2.4.4 ~~Notwithstanding any other provision of the Agreement, an employee discharged for just cause shall not be entitled to a notice of a pending discharge or compensation beyond the time and date of termination. Except where immediate removal from duty is warranted – including situations involving gross misconduct, threats to safety, potential harm to property, or risk to operational integrity – the employer will provide the employee and the Union with written notice of the intent to discipline in accordance with applicable laws and regulations.~~

To preserve the integrity of the investigation, or when the employer determines that the employee's continued presence in the workplace is not in the best interest of operations, the employee may be placed on paid administrative leave during this period.

Nothing in this section limits the employer's ability to take immediate action when necessary.

2.4.5 Records of disciplinary actions involving reductions-in-pay, suspensions or demotions, and written reprimands will be removed from the utility personnel file after 3 years if (1) There has been no subsequent discipline; and (2) The employee submits a written request to Human Resources via their supervisor for its removal. See Grant PUD Employee Records policy  for additional information.

2.4.6 Investigation Participation

Employees are required to participate in and cooperate with employer investigations into workplace conduct, safety or policy compliance. Employees must provide complete and truthful information during such investigations. Knowingly providing false, misleading, or incomplete information may result in disciplinary action, up to and including termination, consistent with the just cause provisions of this Agreement. Nothing in this section shall diminish an employee's rights under applicable law, including the right to union representation during investigatory interviews.

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2.5 Contracting and Job Security

2.5.1 Grant PUD shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the utility, that such contractor or subcontractor shall conform to the contract provisions of Washington State law affecting public utility districts at the time of the contract award, except that contracts let in accordance with Section 2.5.2 will require adherence to current wage rates. Grant PUD will require contractors to furnish the utility with the rates of wages and other employee benefits.

2.5.2 For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates and employee benefits shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment will be furnished to the Union by way of contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3 Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4 It is recognized by both the Union and Grant PUD that a stable total work force is desirable. To this end, the utility will not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological (which includes artificial intelligence) change, reductions will be made by attrition when reassignment is not feasible. An employee reassigned to a classification at a lower wage rate will retain his or her wage rate in effect at the time of the reassignment until such time that the wage rate of the lower classification exceeds the employee's previous wage rate. Employees reassigned will not be eligible for general or other wage increases during this period, unless otherwise mutually agreed. Alternatively, in lieu of reassignment, an employee may mutually agree with the utility to terminate employment through a severance package/agreement pursuant to Grant PUD policies and procedures. (Grant PUD shall consult with the Union on pending severance package/agreements.)

2.6 Job-Related Union Activities

2.6.1 The Union shall always keep the utility notified in writing of the name of each person designated by the Union to act as Steward; each such Steward to be an employee of the utility, engaged in work for the utility covered by this Agreement. Should a designated Steward be absent from work for an extended period, the Union may identify an alternate designated Steward to serve as their backup during that time.

2.6.2 An employee elected as Business Manager-Financial Secretary for Local Union 77 or appointed as a salaried Union Representative shall be granted a leave of absence upon request. If during the term of such leave the utility determines a problem exists related to the return to active duty, the employee shall be advised. If the utility identifies operational or placement considerations related to the employee's return, the utility will advise the Union and the employee prior to the return. During that period of leave of absence, past seniority shall be maintained. Upon returning to work and consistent with ability and qualifications to perform, such an employee shall be offered the first available position for which the employee qualifies. An employee appointed as a salaried Union Representative for a specified period, not to exceed twelve (12) months, shall not be subject to Section 5.6.1. Any other full or part-time appointment to a Local Union 77 position shall be considered on a case-by-case basis.

2.6.3 Union Requested Leave - When Grant PUD has received written notice from the Union giving the name and appointment of an employee elected to the Executive Board of the Union, or as Unit Chairman, appointed as utility Safety Representative, elected or appointed as a delegate to the IBEW National Convention, State of Washington annual safety meeting, or the Washington State AFL-CIO annual convention, or appointed by the Business Manager to attend a Union function, the employee will be allowed time off to perform their duties. Provided notice is provided to Grant PUD fourteen (14) days prior to the event. Management may approve exceptions to the timeline requirement.

Grant PUD will bill the Union for lost time at one hundred and fifty percent (150%) of the employee's rate of pay for actual hours and maintain the employee on the payroll in addition, Grant PUD will bill the Union for any overtime paid to cover the employee's absence if it is Business Manager Requested leave under Section 2.6.3.1.

2.6.3.1 Business Manager Requested Leave - A Business Manager may request union duty release time for an employee to attend a union function. Requests must be received by Grant PUD, fourteen (14) days in advance. Management may deny a request if it cannot be accommodated due to scheduling conflicts, employee availability, or previously scheduled GPUD business requiring the employee's attendance. Should Grant PUD deny a request it will work with the Union to see if a different member can be released.

In such cases the employee will provide reasonable notice to the supervisor, and arrangements will be made which will cause the least disruption to work procedures. Grant PUD will bill the Union for lost time at one hundred and fifty percent (150%) of the employee's rate of pay for actual hours and maintain the employee on the payroll.

2.6.3.2 Union Steward or Union Training Leave

Grant PUD will provide a pool of ninety (90) hours per calendar year, non-cumulative from year to year, for the purpose of allowing designated Union Stewards or other members to attend Union-sponsored training directly related to steward duties or other Union-sponsored training activities.

Requests to use hours from this pool shall be made in writing by the Union to the utility at least fourteen (14) calendar days in advance of the requested absence. Management may deny a request if it cannot be accommodated due to scheduling conflicts, employee availability, or previously scheduled utility business requiring the employee's attendance. Should a request be denied, the utility will work with the Union to

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determine if another Steward or employee may be released for the training.

Between April 1, 2026, and March 31, 2029 only, Grant PUD agrees to provide up to fifteen (15) Shop Stewards with an additional ten (10) hours of release time each to attend Union-sponsored Shop Steward Training, ensuring all participants have the opportunity to receive training.

During approved training time under this provision, employees will be maintained on the payroll, and the utility will not bill the Union for up to ninety (90) hours per calendar year of such training time. All other provisions of Section 2.6, including the requirements of Section 2.6.4 regarding the nature of Union activities and indemnification, shall remain applicable.

2.6.4 An employee who accepts an assignment or appointment by the Union which takes the employee away from regularly assigned duties shall be an employee of the Union during the entire period of that assignment or appointment. When an employee is conducting Union activities, those activities are for the benefit of the Union and therefore any injuries occurring while performing those responsibilities shall not be construed as injuries occurring in the course of the employee's employment with the utility. The Union agrees to defend, indemnify, and hold the utility harmless against any and all claims, suits, orders, or judgments inclusive of State Industrial claims brought or issued against the utility as a result of any such Union assignment or appointment.

This provision shall not apply in the following situations:

- A. An employee meeting with his utility's management representative to discuss local items in a labor/management meeting, including authorized Union Steward duties.
- B. An employee meeting with the utility's management representatives in collective bargaining to resolve local issues.
- C. An employee participating in joint negotiations which include the utility's management representatives and other management representatives at which ~~he~~ the employee is primarily representing employees of his own utility.

Nothing herein shall modify present pay practices mutually agreed to for the Union activities.

2.7 Bulletin Boards

2.7.1 Grant PUD shall supply bulletin boards for the official use of the Union. Only those bulletins signed by the Business Manager, Business Representative, Union Steward or an official of the Union whose name has been given to the utility by the Union Business Office shall be posted. Access for posting to bulletin boards shall be limited to the above-named officials.

~~2.8 New Bargaining Unit Employees and Union Introductory Letter.~~

~~2.8.1 During new employee orientation, the Employer shall distribute a letter provided by the Union to employees newly hired into the bargaining unit, which introduces the Union and presents Union forms and procedures.~~

2.8 Public Records Request – Employee and Union Notification.

Grant PUD will comply with all applicable Washington State Public Records laws, including RCW 42.56 (Public Records Act).

When a public records request is made for records contained in a bargaining unit employee's personnel, payroll, supervisor, or training file, the Employer will provide written notice to the affected employee(s) and to the Union at least ten (10) calendar days before the records are released, or as otherwise required by RCW 42.56.250.

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Nothing in this Section shall be construed to create notice obligations beyond those required by statute. In the event the law changes regarding notice requirements or timelines, the Employer's obligations under this Section shall automatically adjust to remain consistent with applicable law.

ARTICLE 3

MANAGEMENT RIGHTS

3.1 Grant PUD retains the sole right to manage its business and direct its work force covered by this Agreement. This includes, but is not limited to, the right to hire, to classify, to transfer, to promote to supervisory or other positions, to demote for non-disciplinary reasons, to discipline or discharge for cause, to determine an employee's ability or qualifications to perform the work required, to use improved methods or equipment, to subcontract any operations or work, to discontinue operations in whole or in part, to permanently or temporarily increase or decrease the working force, to plan, direct, control, curtail, discontinue, merge or increase operations, to grant voluntary benefits, to maintain order and efficiency, including, but not limited to, the right to establish, modify and enforce work rules in order to comply with federal or state regulations or to promote safety among the employees for the public, and to provide service to the customers and to regulate conduct among the employees. These rights are subject only to the written terms of this agreement, and any and all established or implied rights of the Grant PUD, the Union or the employees. Grant PUD recognizes its obligation to provide notice and opportunity to bargain with the Union over all mandatory subjects of bargaining before altering current conditions provided that the utility has no obligation to bargain over its exercise of those core management rights recognized by applicable law to be within unilateral management discretion.

ARTICLE 4

GRIEVANCES AND ARBITRATION

4.1 Continuous Operation

4.1.1 It is recognized that Grant PUD is engaged in a public service requiring continuous operation.

4.2 Grievances

4.2.1 The grievance and arbitration procedure provided herein is the exclusive means for resolving disputes arising out of the interpretation or application of this Agreement, and is final and binding upon the parties and grievant(s), provided that any dispute arising out of the interpretation and application of Section 1.1.3 shall not be subject to the grievance and arbitration procedure set forth herein.

Grievance – A grievance shall mean a written or verbal claim by an employee, group of employees, or the Union alleging that the Employer has violated, misapplied, or misinterpreted a specific provision of this Agreement.

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Past Practice - The parties recognize that a "past practice" may, in appropriate circumstances, be relevant evidence regarding the interpretation and/or application of this Agreement. A past practice shall be considered established only where the party asserting the practice proves that the practice is: (1) clear and unequivocal; (2) consistently applied over a substantial period of time; and (3) known to and mutually accepted (explicitly or implicitly) by the parties.

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A past practice shall not, by itself, constitute a grievable violation, nor shall it be used to add to, subtract from, or modify clear and unambiguous language of this Agreement.

Settlement - A mutually agreed resolution of a grievance at any step of the procedure, which shall be final and binding and shall not establish precedent unless expressly agreed in writing.

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Timelines Extension Request - If desirable, time limits may be extended by mutual written agreement via email. For the purpose of this Article 4, time limits are considered calendar days. Any extension of time limits must be made before the limits of the individual section have expired.

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The Union may withdraw a grievance at any point during the grievance or arbitration procedure. The Employer shall be notified in writing when a grievance is withdrawn.

4.2.2 Step I – Verbal

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A. Employee and Shop Steward Discussion

An employee who believes they have a legitimate grievance shall first discuss the matter with the appropriate Shop Steward. If disagreement remains between the employee and Shop Steward, the matter shall be referred to the Union Representative.

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B. Presentation to Supervisor

If it is believed that a grievance may exist, the Shop Steward shall present the matter verbally to the Supervisor in charge. Whenever possible, one (1) affected employee should accompany the Shop Steward.

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C. Time Limit

A grievance must be presented to the Supervisor within forty (40) calendar days of the event or condition giving rise to the grievance, or within forty (40) calendar days from the date the employee or the Union knew, or through the exercise of reasonable diligence should have known, of such event or condition, whichever is later.

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Failure to present a grievance within this time limit shall constitute a waiver of the grievance, and the grievance shall not be processed further under this procedure.

D. Resolution Intent and Supervisor Option

It is the intent of both parties to resolve as many issues as possible at this level. However, the Supervisor may request that the grievance be advanced to Step II without further discussion.

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Step I – Oral

An employee who feels he or she has a legitimate grievance will first discuss the matter with the appropriate Shop Steward. If disagreement results between the Shop Steward and employee, the matter will be referred to the Union Representative.

If it is believed that a grievance may exist, then the appropriate Shop Steward will present the matter to the Supervisor in charge; however, it is highly desirable that one (1) affected employee accompany the Shop Steward. Any grievance not so presented within forty (40) days after the occurrence causing the grievance shall not be processed through the grievance procedure. While it is the intent of both parties that as many problems as possible be resolved at this level, the Supervisor may nonetheless ask that the grievance be moved to Step II without further discussion.

Labor/Management Process – In the event a resolution to an issue/grievance is not reached in Step 1, the parties, by mutual agreement, shall meet as soon as practicable to explore interests and options in a good faith effort to reach resolution on the issue/grievance at hand. A mutually agreeable facilitator may be appointed to aid this process. The

~~Labor/Management process may occur at any time prior to arbitration. Should a resolution not be reached through the Labor/Management process, the issue/grievance will continue through the grievance process.~~

4.2.3 Step II – Written – Supervisor

A. Filing the Grievance

~~If no settlement has been achieved at Step I within ten (10) calendar days after the matter was presented to the Supervisor, the grievance shall be reduced to writing on a grievance form supplied by the Union. The employee and/or Shop Steward shall complete and sign the form and submit it to the Supervisor in charge.~~

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B. Required Content

~~The written grievance must include:~~

- ~~i. A clear statement of the issue, including the nature and subject of the grievance;~~
- ~~ii. The date (on or about) of the occurrence giving rise to the grievance;~~
- ~~iii. The specific Article(s) of this Agreement alleged to have been violated; and~~
- ~~iv. The remedy sought.~~

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C. Supervisor's Response

~~The Supervisor will provide a written answer within fifteen (15) calendar days of receiving the grievance. A copy of the response shall be provided to the Shop Steward via email and the Union and Labor Relations shall be copied. If the Supervisor does not provide a response within the time limits specified, the Union may advance the grievance to the next step in accordance with this procedure. The Employer's failure to meet the response deadline shall not, by itself, result in a waiver of the grievance.~~

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C. Advancement Deadline

~~If the grievance is not advanced to Step III within thirty (30) calendar days of the submission to the supervisor, the grievance shall be considered settled.~~

~~A. If no settlement has been achieved at Step I within 10 days after presentation of the matter to the Supervisor, then the grievance will be reduced to writing, using a grievance form supplied by the Union. The employee and/or Shop Steward shall fill out and sign the "Grievance Form" which, shall be given to the Supervisor in charge.~~

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~~B. The grievance must state the issue with enough detail to identify the nature and subject of it, the date (on or about) of the occurrence, the Article(s) of this Agreement which have been violated, and remedy sought.~~

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~~C. The Supervisor will fill in the section of the grievance form provided for the answer on the grievance. Such answer shall be given within eight (8) days of the Supervisor's receipt of the grievance.~~

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~~After being answered by the Supervisor, the grievance shall be distributed by Management as follows:~~

~~(1) The original shall be sent to the appropriate Management Representative, who will forward a copy to the Union office.~~

~~(2) Two copies shall be sent to the appropriate Shop Steward, who will provide one copy to the aggrieved employee.~~

~~D. A grievance that has been processed at Step II shall be considered settled if it is not moved to Step III as provided below within thirty (30) days of the date of the Supervisor's answer.~~

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4.2.4 Step III – Manager and Union Business Office

A. Filing to Advance

To move a grievance from Step II to Step III, the Union Business Office shall submit a written notice via email to the Labor Relations Manager or their delegate that includes

- i. The nature of the alleged violation;
- ii. The specific Article(s) of this Agreement alleged to have been violated; and
- iii. The remedy being sought.

B. Step III Meeting

Within thirty (30) calendar days of the submission of the grievance at Step III, the Union and the appropriate Management Representative(s) shall meet in an effort to resolve the grievance.

Grant PUD or the Union may enter the Step III level of this procedure with respect to differences of opinion as to the interpretation of the Agreement. Such differences of opinion will be discussed at this level.

C. Employer's Response

Grant PUD shall provide a written Step III answer to the Union Representative within thirty (30) calendar days following the Step III meeting.

D. Advancement to Arbitration

If all attempts to resolve the grievance fail and the grievance remains unresolved, Grant PUD and/or Union may determine to refer the matter to Arbitration under the terms of Section 4.3 set forth herein.

4.2.5 Optional Grievance Mediation. If the parties are unable to resolve a grievance at the Step III level, upon mutual agreement of Grant PUD and the Union, the parties may request grievance mediation utilizing services provided by the Public Employment Relations Commission. If mediation is agreed to, the parties shall hold timelines of the grievance in abeyance until the conclusion of mediation.

~~A. In order to move from Step II to Step III, the Union Business Office shall state in writing: 1) the nature of the alleged violation; 2) the provision(s) of the Agreement affected; and, 3) the remedy proposed. The Union and the appropriate Management Representative shall meet in an attempt to resolve the grievance within thirty (30) days from the date of written notice from the Union Business Office. The utility has thirty (30) days from the date of the meeting to provide their written Step III answer.~~

~~B. If all attempts fail and the grievance remains unresolved, the Grant PUD and/or Union may determine to refer the matter to Arbitration under the terms of Section 4.3 set forth herein.~~

~~4.2.5 If desirable, time limits may be extended by mutual written agreement. For the purpose of this Article 4, time limits are considered calendar days. Any extension of time limits must be made before the limits of the individual section have expired.~~

~~4.2.6 Grant PUD or the Union may enter the Step III level of this procedure with respect to differences of opinion as to the interpretation of the Agreement. Such differences of opinion will be discussed at this level and the Union or utility will give its written Step III answer within thirty (30) days after the completion of the discussion. If the matter remains unresolved, it shall be subject to Arbitration under Section 4.3 set forth hereinafter.~~

4.2.7 In the case of a grievance arising over disciplinary action, the question submitted to arbitration shall be, within the context of the entire Agreement, was the discipline assessed by the Grant PUD just, and if not, what is the appropriate remedy?

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4.3 Arbitration

4.3.1 Any grievance resulting from a difference of opinion as to the interpretation of this Agreement which remains unsettled after having been fully processed pursuant to the provisions of the grievance procedure may be submitted to arbitration providing written application is made within thirty (30) days following receipt of the written Step III answer.

4.3.2 Either party may give notice of its intention to arbitrate and both parties shall, within five (5) days of service of such notice, name its representative.

4.3.3 The parties shall, within five (5) days, mutually agree upon a third and impartial person who shall act as a single arbitrator. In the event of failure to agree upon such third person, notice is to be given to the parties, who shall, within five (5) days, request a list of nine (9) arbitrators from the Federal Mediation and Conciliation Service if their services are available, if they are not, the parties will request a list from the Public Employment Relations Commission. Using such list, the parties shall by agreement or alternately striking names until one remains, select the arbitrator. Such selection is to be made, and notification to the Federal Mediation and Conciliation Service sent, within ten (10) days of receipt of the list. Upon response from the arbitrator, the parties will have ten (10) days to agree to arbitration hearing dates and send notification to the arbitrator.

4.3.4 In the event of the failure of either party to name its representative, the arbitrator shall proceed to hear the evidence and make findings and issue a final award and shall in all respects possess and exercise the powers of the arbitrator.

4.3.5 Arbitration hearings will be conducted in as short a time as possible and the arbitrator shall designate the time and place of the hearing, preferably at the appropriate utility headquarters and cause due notice thereof to be given. Each party shall be given the opportunity to appear in person and/or by attorney, to produce witnesses and cross-examine.

The Arbitrator shall pass on the admissibility of the evidence. Each of the parties agree to produce all its books, records and documents, or any other material or certified copies thereof, which, in the opinion of the Arbitrator are relevant to the issues in dispute. The Arbitrator's decision and award shall be published, giving the reason(s) therefore.

4.3.6 The award of the Arbitrator shall be final and conclusive on the parties hereto. The Arbitrator shall have the power only to interpret this Agreement and shall not have power to alter or amend it.

4.3.7 Each party will be responsible for paying its attorney fees, witness fees, its costs and the party who is not upheld shall pay the arbitrator's costs. Should the arbitrator be unable to determine which of the parties is not upheld, then he the arbitrator shall order the arbitrator's costs to be divided equally.

ARTICLE 5

EMPLOYEE BENEFITS

5.1 Personal Leave Plan

5.1.1 In recognition of the need for paid time off for rest and recreation, illness, injury, child care, bereavement, personal business and any other approved absence from work on a paid leave status except to the extent Worker's Compensation, Occupational Disability Allowance, Short Term Disability Plan or Long Term Disability Plan provisions

of this Agreement provide otherwise, the following Personal Leave Plan is established for all full-time, regular employees of Grant PUD.

5.1.2 Except while receiving occupational disability allowance or in a leave without pay status, each employee shall accrue Personal Leave as follows:

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate* (illustrative only)
During the 1 st through 5 th year of employment	6.46 hours	21 days per year
During the 6 th through 10 th year of employment	8.31 hours	27 days per year
During the 11 th year of employment	8.62 hours	28 days per year
During the 12 th year of employment	8.92 hours	29 days per year
During the 13 th year of employment	9.23 hours	30 days per year
During the 14 th year of employment	9.54 hours	31 days per year
During the 15 th year of employment	9.85 hours	32 days per year
During the 16 th year of employment	10.15 hours	33 days per year
During the 17 th through 25 th year of employment	10.46 hours	34 days per year
After the 25 th year of employment	10.77 hours	35 days per year

* "Day" for purposes of this section means eight (8) hours.

5.1.3 Use of Personal Leave shall be conditioned upon operational needs of the utility and approval of the Manager or designee. Approval of the unplanned use of Personal Leave shall be sought as early as practicable. All other use of Personal Leave shall be scheduled such that advance approval is sought at least twice as early as the length of the requested leave (e.g., one week's leave would require at least two weeks' notice).

Grant PUD shall respond to the request within five (5) working days. It is the intention that leave be granted upon shorter notice for emergencies, death, illness or serious accident in the immediate family. Unplanned use of Personal Leave so frequent as to interfere with job performance or utility operations shall subject the employee to corrective action, regardless of the cause for such unplanned use.

5.1.4 Accrued Personal Leave for each employee hired before April 1, 2011, shall not exceed the greater of twelve hundred (1200) hours or the number of hours accrued by each employee as of April 1, 1996. For employees hired on or after April 1, 2011, the accrued Personal Leave shall not exceed seven hundred (700) hours. Annually, accrued Personal Leave in excess of the limit set forth above shall be cashed out at the straight-time hourly rate of pay then in effect for the affected employee.

5.1.4.1 Each employee shall schedule and use at least (5) days of Personal Leave in each calendar year of the first five (5) years of employment or eligibility for Personal Leave accrual and at least ten (10) days of Personal Leave annually thereafter. (During the first year of eligibility, this requirement will be waived if the employee's hire date or eligibility date is later than the first working day of the calendar year.) Employees who fail to meet this obligation shall forfeit the balance of the required annual leave usage unless such failure is the result of occupational disability or extended illness.

5.1.4.2 Run out of leave before retirement in excess of one hundred sixty (160) hours is prohibited, unless a bona fide approved FMLA or Family Care Leave situation exists.

5.1.5 Any employee having more than eighty (80) hours of accrued Personal Leave may convert the excess to a utility provided deferred compensation plan at the regular straight-time hourly rate of pay then in effect for that employee. The utility shall establish administrative procedures governing such transfers.

5.1.5.1 All accrued but unused Personal Leave shall be cashed out upon termination or retirement provided that six (6) months of continuous service have been completed. ~~Personal Leave may not be cashed out for any other reason.~~ See LOA #18.

5.1.5.2 Annual Cashout of Personal Leave – In the final pay period of the payroll year, bargaining unit employees may cash out Personal Leave so long as their balance does not fall below one hundred and twenty (120) hours.

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5.1.6 In recognition of the fact of extended illness, injury, or disability there is established a Short-Term Disability (STD) program benefit for Full-time, Regular, Limited Assignment, and benefits-eligible Seasonal employees as set forth below. Provisions of 5.1.6 may be superseded by CWPU LOAs (Implementation of RCW 50A.04 Family and Medical Leave Program).

5.1.6.1 Employees are eligible for the STD program benefit when they are unable to work for forty (40) consecutive regularly scheduled hours, including holidays, because of illness, injury, or disability which is not related to Worker's Compensation/work related illness or injury (except as provided for in Section 5.5.2) and as certified by licensed, competent medical authority, and the Grant PUD's Third Party Administrator, if any.

5.1.6.2 STD benefits are paid at 70 percent (70%) of an employee's regular straight time base pay from the forty-first (41st) regularly scheduled hour of their inability to work until the employee either recovers and returns to work or completes the waiting period required for UIP long term disability insurance eligibility, whichever is earlier. Accrued Personal Leave may be used to make up the difference between the STD benefit payment and 100% of gross, straight-time base pay.

- A. Grant PUD or the Third-Party Administrator has the right to request a second medical opinion from a licensed, competent medical authority at the utility's expense, to be selected by the utility and/or the Third-Party Administrator. The decision of the second medical opinion provider will be used to determine benefit eligibility.
- B. If a third and final medical opinion is requested, it shall be at the expense of the utility. The medical opinion will be provided by a licensed, competent medical authority agreed to by both the employee and the utility or Third-Party Administrator, if any, and the decision rendered by the third medical opinion shall be binding on the parties without any additional recourse.

5.1.6.3 If an employee has an established employment termination date (established prior to the STD waiting period), STD benefits will cease on the established termination date. This applies to resignation and retirement advance notices, and to other established end of employment or assignment dates for limited assignment and benefits eligible seasonal employees.

5.1.6.4 Return to work from coverage by the STD benefit is conditioned upon certification by licensed, competent medical authority that the employee can fully perform the duties of the job and is otherwise fit to return to work. Absent such certification, the utility shall determine whether reasonable accommodation of the employee's condition can be made.

5.1.6.5 An employee who returns to work from coverage by the STD benefit pursuant to Section 5.1.6.4 and works less than thirty (30) calendar days because of a relapse, may return to coverage by the STD benefit immediately upon such relapse.

5.1.6.6 In the event an employee receiving STD benefits recovers damages from any third party for the illness or injury that made the employee eligible for the STD benefit, that employee shall reimburse ~~that the~~ utility the lesser of STD payments received or the amount of damages recovered. Employees making such reimbursement shall be eligible to buy back any Personal Leave used in connection with receipt of the STD benefit.

5.1.6.7 Should Grant PUD be approved for a voluntary plan that satisfies both the requirements of Washington State's Paid Family and Medical Leave (PFML) Act and meets (or exceeds) the conditions identified above for Short-Term Disability, then the conditions for which an employee is eligible, the process for administration, and the return to work guidelines will be outlined in the Voluntary Plan document and associated policy (Sections 5.1.6.1 through 5.1.6.6). Should additional changes need to be made due to changes in the legislative administration of PFML, etc. Section 1.4.1 will apply to these additional negotiations.

5.2 Personal Leave

5.2.1 An employee shall have the right to return to the job vacated because of Personal Leave.

5.2.2 When members of a crew or group are using Personal Leave, the remaining members shall not be required to use their Personal Leave at the same time.

5.2.3 It shall be the utility's responsibility to remind employees of forfeiture dates for accrued Personal Leave or Floating Holidays thirty (30) days prior to the date that such loss would occur. Employees can reference their leave balances throughout the year through the payroll system. Cancellation of leave by the utility in response to an emergency which affects this section shall cause the utility to extend the period herein an additional thirty (30) days.

5.2.4 If a probationary employee is absent for STD and/or Occupational Disability under this Agreement the probationary period under Section 6.1.3 may be lengthened by the amount of the total of STD and/or Occupational Disability absences.

5.3 District Deferred Compensation and Match

5.3.1 The utility shall provide a three percent (3%) contribution to each eligible employee to a utility established deferred compensation plan. This three percent calculation will be based on an employee's regular straight-time wages for the pay period. For purposes of this calculation, straight-time wages include Personal Leave (PL), Floating Holidays, Holidays, and Short-Term Disability (STD).

5.3.2 The utility will establish administrative procedures to allow for employee loans in compliance with IRS guidelines from the 457 Deferred Compensation, 457 Roth Deferred Compensation and 401(a) Defined Contribution plans.

5.3.3 Effective the first full pay period of January 2027, the utility shall provide an Employer matching contribution to a 401(a) retirement account for eligible bargaining unit employees who participate in the Employer-sponsored 457(b) Deferred Compensation Plan. For purposes of this Section, employee contributions to the 457(b) Plan include both pre-tax and Roth elective deferrals.

The Employer matching contribution shall be equal to a dollar-for-dollar match of employee contributions made to the 457(b) Plan during the applicable pay period, up to a maximum of two percent (2%) of the employee's regular straight-time wages for that pay period. For purposes of this calculation, straight-time wages include Personal Leave (PL), Floating Holidays, Holidays, and Short-Term Disability (STD).

Employer matching contributions shall be:

- Calculated on a per-pay-period basis
- Based solely on employee contributions made during that pay period
- Deposited into the Employer-sponsored 401(a) Plan

Employees who do not make a 457(b) contribution during a given pay period shall not receive an Employer matching contribution for that pay period.

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The Employer shall not provide any year-end adjustment, reconciliation, or true-up for matching contributions. Employees are responsible for managing their 457(b) contribution elections in order to maximize any available Employer matching contributions. Matching Contributions under this Section shall be subject to the applicable annual addition limits under Internal Revenue Code Section 415.

5.4 Holidays

References to schedules within this Article serve only to identify how holidays are assigned and observed. The creation, modification, or administration of employee work schedules is governed exclusively by Article 7 and nothing in this Article shall be construed as expanding or diminishing any rights under that Article.

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5.4.1 Recognized Holidays. Grant PUD recognizes the following thirteen (13) paid holidays:

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New Year's Day (January 1),
Martin Luther King Jr. Day (third Monday of January),
President's Day (third Monday in February),
Memorial Day (last Monday in May),
Juneteenth Day (June 19),
Independence Day (July 4),
Labor Day (first Monday in September),
Veteran's Day (November 11)
Thanksgiving Day (fourth Thursday in November),
Native American Heritage Day (Friday after Thanksgiving Day),
Christmas Day (December 25), and
Two (2) Floating Holidays.

~~Recognized Holidays. Grant PUD recognizes the following eleven (11) paid holidays:~~

~~New Year's Day (January 1),~~
~~President's Day (third Monday in February),~~
~~Memorial Day (last Monday in May),~~
~~Independence Day (July 4),~~
~~Labor Day (first Monday in September),~~
~~Veteran's Day (November 11)~~
~~Thanksgiving Day (fourth Thursday in November),~~
~~Christmas Day (December 25), and~~
~~Three (3) Floating Holidays.~~

5.4.2 Holiday Pay. All eligible employees except those required to work a regularly scheduled shift on the holiday, shall observe the holiday by taking that day off with pay. Holiday pay for purposes of this section means eight (8) hours.

On holidays not worked, employees working four-ten (4x10's) schedules will:
Take two (2) hours of Personal Leave or Floating Holiday hours in addition to eight (8) hours of holiday pay.
Take two (2) hours of authorized Leave Without Pay on the holiday (without loss of seniority or benefit accruals).

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5.4.3 Schedule-Specific Holiday Observance Rules – (Non-Rotating Shifts)

- a. Standard Workweek (Monday–Friday, 5x8 schedule)
- When a holiday falls on Sunday, the following Monday shall be observed as the holiday.
 - When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.
- b. Four-Tens (4x10), Monday–Thursday Schedule

- If the holiday falls on a Friday or Saturday, the preceding Thursday shall be observed.
- If the holiday falls on a Sunday, the following Monday shall be observed.
- If the holiday falls on a regularly scheduled workday (Monday–Thursday), the actual holiday shall be observed.

c. Four-Tens (4x10), Tuesday–Friday Schedule

- If the holiday falls on a Sunday or Monday, the following Tuesday shall be observed.
- If the holiday falls on a Saturday, the preceding Friday shall be observed.
- If the holiday falls on a regularly scheduled workday (Tuesday–Friday), the actual holiday shall be observed.

d. Four-Tens (4x10), Friday–Monday Schedule

- If the holiday falls on a Tuesday, the preceding Monday shall be observed.
- If the holiday falls on a Wednesday or Thursday, the following Friday shall be observed.
- If the holiday falls on a regularly scheduled workday (Friday–Monday), the actual holiday shall be observed.

e. Thanksgiving and Native American Heritage Day Week

As Thanksgiving Day (Thursday) and Native American Heritage Day (Friday) are observed in the same week, the following rules apply:

- 5x8 Schedule (Monday–Friday): Thursday and Friday are observed.
- 4x10 Schedule (Monday–Thursday): Wednesday (in lieu of Native American Heritage Day) and Thursday (Thanksgiving) are observed.
- 4x10 Schedule (Tuesday–Friday): Thursday and Friday are observed.
- 4x10 Schedule (Friday–Monday) - Customer Service: Friday (Native American Heritage Day) and Saturday (in Lieu of Thanksgiving) are observed. When a holiday falls on Sunday, the following Monday shall be observed as the holiday. When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.

5.4.4 Holiday Work – Pay. Except for rotating shift workers, if an employee is directed to work on the holiday, the employee will receive holiday pay of eight (8) hours at straight time and overtime for all time worked.

5.4.5 Holidays During Paid Leave. When the holiday falls on a regular workday during an employee's Personal Leave or Short-Term Disability Leave period, it shall be treated as any other holiday.

~~5.4.6 Holidays and Non-Standard Work Hours. Holiday pay for Alternate Work Schedules will be governed as outlined in Articles 7 and 8 of this agreement and the Nine-Hour Day Letter of Agreement.~~

5.4.76 Holidays and Rotating Shifts.

A. Holidays and 12-Hour Shifts. Holiday pay for 12-hour rotating shifts will be governed as outlined in the Letters of Agreement and Article 8.

B. Holidays and Rotating Shifts. Rotating shift workers shall observe the actual holiday rather than the holiday observed by other employees of the utility where the actual and the observed holidays fall on different dates.

- (1) All holidays that are designated by law to be observed on a Monday shall be considered "Actual Holidays." Thanksgiving Day, and Native American Heritage Day (Friday after Thanksgiving) are the only other holidays for which the observed date is always the same as the actual date. New Year's Day (January 1), Juneteenth (June 19), Independence Day (July 4), Veteran's Day (November 11), and Christmas Day (December 25) are the remaining "Actual Holidays". When these holidays fall on weekends and are observed on a Friday or Monday, the holiday premium will continue to apply to the actual, rather than the observed holiday.

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- (2) Rotating shift workers scheduled off on an observed holiday, other than the actual holiday, will not receive holiday pay for the observed holiday. Rotating shift workers who work on an actual holiday as indicated will, as part of their regular straight-time pay and holiday pay at the straight-time rate, be credited with an additional eight (8) hours straight-time pay as a holiday premium. Federal law will prevail in determining actual holidays.

5.4.87 Floating Holidays. Each full-time, regular employee who has worked thirty (30) calendar days is entitled to ~~three (3)~~ two (2) Floating Holidays each year. The paid Floating Holiday may be taken on any day of the year, provided:

- A. Refer to Section 5.1.3.
- B. The paid Floating Holiday must be taken prior to payroll year end, or entitlement to the day will be forfeited. Next year's Floating Holidays will be available for use after the payroll year ends.
- C. Only those employed before October 1st of each calendar year shall qualify for the paid Floating Holidays in that year.

5.5 Occupational Disability Allowance

5.5.1 An Occupational Disability Allowance, as described below, will be paid to a disabled employee while absent from work when ~~he-the employee~~ has qualified for compensation under the Workman's Compensation Act; provided, the employee furnishes Grant PUD with: (1) a certificate signed by ~~his-the employee's~~ doctor that the employee is disabled and (2) a statement signed by the employee guaranteeing the employee will relinquish all funds distributed by Washington State Labor and Industries that he will endorse State Compensation checks over to the utility within one (1) week of receiving payment and authorizing ~~his-their~~ doctor to discuss the employee's disability with the ~~utility~~ GPUD Human Resources.

5.5.2 Absence from the time of injury until eligible to receive such allowance shall be covered in accordance with the provisions of Section 5.1.6 provided that an employee who fails to file for and/or comply with requirements to determine eligibility for Workman's Compensation benefits shall not receive the STD benefit. During the first one hundred seventy-six (176) work hours of eligibility (including observed holidays) ~~he-the employee~~ shall be paid at his regular rate and for the next one thousand nine hundred four (1,904) work hours (including observed holidays) ~~he-the employee~~ shall be paid eighty percent (80%) of his regular pay. Personal Leave used pending determination of eligibility shall be restored to the employee's credit for those days deemed payable under the Act.

5.5.3 Should it be determined by the Washington State Department of Labor and Industries that an employee has become permanently disabled as a result of any injury covered by the State Industrial Accident Insurance and shall as a result thereof terminate compensation payments, payments by the utility under 5.5.2 shall terminate at the same time and the utility shall then continue to pay such disabled employee up to his accumulated Personal Leave.

5.5.4 In the event an injured employee recovers damages from any third party ~~he-the employee~~ shall, in addition to reimbursing the Accident Fund and Medical Aid Fund as provided by R.C.W. 51.24., reimburse the Grant PUD for all payments made by the utility under 5.5.2 not exceeding the amount paid by the utility for wages, minus pro rata expenses of collection.

5.5.5 Grant PUD may, if it chooses, elect to implement a "Kept on Salary" (KOS) program wherein the employee's wages are paid by the utility during periods of Occupational Disability rather than a portion of the wage being paid by the State Industrial Insurance Program. ~~A joint management and IBEW LOCAL 77 advisory committee shall be formed to address implementation of a KOS program, including modified duty assignments, and to address administrative efficiency and consistency for short term disability and occupational disability programs. See LOA # 35~~

5.6 Leave of Absence

5.6.1 If an employee requests time off in addition to his regular time off, such request may be granted without pay or paid benefits; provided that and subject to applicable state and/or federal laws, that all applicable accrued leave has been used and it does not inconvenience the operation of the utility or increase operating expenses. Leave Without Pay requires utility approval. Grant PUD will notify the Union of a leave of absence in excess of thirty (30) days.

5.6.2 When an employee is granted a leave of absence and returns to his previous or equivalent job, only the employees advanced to fill the temporary vacancies created by the leave of absence shall be affected, and in each case shall return to the jobs they left or their equivalents.

5.7 Jury Duty/Witness Service

5.7.1 An employee on jury duty shall receive compensation in the amount of his regular wage without overtime. The employee shall work on any day on which it is feasible to work one-half (1/2) day or more during his term of jury duty. The employee is not required to remit to the Grant PUD jury fees or expenses paid to the employee. An employee who serves on a jury or acts as a witness for Grant PUD ~~who's~~^{whose} established shift is anything other than day shift, may mutually agree to change their shift to five (5) eight-hour (8) days, without penalty, to accommodate the jury duty schedule. Employees who elect not to change their shift to day shift to accommodate the jury duty schedule shall take Personal Leave during their regular shift.

5.7.2 If any employee is subpoenaed as a witness to testify on behalf of Grant PUD, the employee will receive compensation in the amount of his regular wage, and the employee will be reimbursed for out-of-pocket travel expenses and subsistence when not provided by the party issuing the subpoena. The employee shall work on any day on which it is feasible to work one-half (1/2) day or more. The employee is not required to remit to the utility witness fees or expenses paid to the employee.

5.7.3 If an employee is subpoenaed by Court or agency order to testify regarding facts or events which the employee witnesses while working for the utility during his assigned work hours, regular wages without overtime will be granted for that period of absence required to comply with such order; provided, however, that no pay will be granted for absences to testify on behalf of parties exercising adverse action against the utility. The employee shall work on any day on which it is feasible to work one half (1/2) day or more. The employee is not required to remit to the utility witness fees or expenses paid to the employee.

5.8 Insurance

5.8.1 Full-time, regular employees covered by the terms of this Agreement shall, as a condition of continuous employment, participate in, be and remain covered under some of the provisions of employee group insurance programs made available by the utility under this Section. See LOA #25.

5.8.2 During the life of this Agreement, the utility shall provide, through the Central Washington Public Utility Unified Insurance Program (UIP), a Benefit Plan as negotiated, including group life insurance, additional employee-paid life insurance and accidental death and dismemberment insurance, long-term disability, medical, RX, dental and vision benefits. Benefit administration shall be pursuant to the insurance contracts establishing and governing such insurance benefits.

5.8.3 The utility shall have the exclusive right to select brokers and carriers and administer and disperse all funds held in reserve or trust for group insurance purposes without regard to the source of such funds. Upon request, the utility shall furnish the Union financial information relative to the group insurance plans and such other information relative to the UIP customarily provided by private sector employers in similar situations. If UIP Trustees declare a surplus and distribution of that surplus, then the distribution shall be shared among the utility and employees on a pro rata basis reflecting the current allocation of insurance premiums paid by the utility and employees.

5.8.4 A summary of health insurance terms, including Medical, Dental and Vision Plans, negotiated by the utility and the Union are included in Appendix A (attached and incorporated in this Agreement). Currently, the Plan Year is January 1 through December 31. In addition, Grant PUD and the Union agree that health insurance shall be provided by the utility in the following manner:

- A. The employee shall have the option of choosing between a PPO Option and a CDHP Option.
- B. The enrollment structure for the PPO Plan option is a four (4) – tier structure consisting of: (1) Employee Only, (2) Employee and Spouse, (3) Employee and Children, and (4) Employee and Family. Premiums are based on enrollment tier.

Effective January 1, 2017, the utility shall contribute eighty-eight percent (88%) and the employee shall contribute twelve percent (12%) of the monthly premiums for each benefit plan chosen.

The employee's contribution for any of the medical, dental, and vision insurance packages chosen by the employee shall be paid by the employee by payroll deduction.

- C. As an alternative to the PPO Plan, is the Consumer Directed Health Plan (CDHP) Medical, Dental, and Vision Plans. The enrollment structure for the CDHP option is a four (4) tier structure consisting of: (1) Employee Only, (2) Employee and Spouse, (3) Employee and Children, and (4) Employee and Family. Effective January 1, 2017, there shall be an employee premium contribution for the Medical CDHP of ten dollars (\$10) per month, regardless of medical enrollment tier, and it shall be paid by the employee by payroll deduction. Effective January 1, 2024, the Employee shall pay a premium contribution for the CDHP Medical, Dental, and Vision Plans of twenty dollars (\$20) per month, regardless of medical enrollment tier, and it shall be paid by the employee by payroll deduction. The utility shall pay the remaining cost of the monthly group insurance premium.
- D. The utility shall pay base level group life and accidental death and dismemberment insurance premiums. The employee shall pay one hundred percent (100%) of group long-term disability insurance.

5.8.4.1 The Employee Insurance Advisory Committee (EIAC) shall resume activity by meeting on mutually agreed dates. As an advisory committee, the EIAC is intended to focus on potential recommendations for future plan design modifications to control healthcare cost escalation, possible wellness options, minimizing the impact of the Affordable Care Act (ACA) and other federal and state laws, and ways to educate employees about consumerism. The EIAC is a "recommending committee" and has no authority to unilaterally implement changes desired by the committee.

5.8.5 If a state or national health insurance program becomes effective during the term of this Agreement, and such program affects the insurance provisions, including premium amounts, set forth in this Section, Grant PUD and the Union shall meet to negotiate the impact on such insurance provisions so affected.

5.8.6 Effective 1/1/2015, the UIP health insurance for existing and new retirees will be discontinued.

5.8.7 Tax-Free Health Care Savings Vehicle (HRA)

5.8.7.1 Effective January 1, 2020, benefit eligible employees will receive a monthly contribution to their tax-free health care savings vehicle equal to fifty dollars (\$50). This contribution is not subject to participation in the wellness program.

5.8.7.2 Effective January 1, 2015, for employees who elect to participate in the employer provided wellness program, the utility shall provide a monthly contribution to an employee's tax -free health care saving vehicle equal

to one hundred and fifty dollars (\$150) per month, subject to local payroll administration practices. Participation in identified wellness events is required to receive the monthly contribution. The parties agree that this contribution is intended to help employees pay for health insurance upon retirement. However, the funds are available upon deposit for eligible health care expenses for each employee to manage as they choose.

ARTICLE 6

GENERAL WORK PROVISIONS

6.1 Seniority

6.1.1 Seniority Definitions. The following seniority definitions shall apply to full-time, regular and Limited Assignment employees:

- A. JOB TITLE SENIORITY shall be determined by the length of service in that job title, not necessarily continuous, but within the period defined by District Seniority. Job titles are defined as those individual positions as listed in Article 9, Compensation. Examples include Lineman, Warehousing, and Meter Readers.
 - (1) Upon completion of an apprenticeship, those who became Journeymen through an apprenticeship with the utility shall be considered to have one (1) year of Journeyman job title seniority retroactive from the date that they have successfully completed the apprenticeship program, to be awarded upon notification to the utility that they have passed the Union's Journeyman exams; provided, that the Journeyman exams are taken and passed within six (6) months of apprenticeship completion. Otherwise, seniority shall be effective one (1) year prior to the date the Journeyman exams are passed.
- B. WORK CLASSIFICATION SENIORITY shall be determined by the length of service in that work classification, not necessarily continuous, but within the period defined by District Seniority. A Work Classification is defined as a common field of work encompassing one (1) or more job titles. Work Classifications are indicated by subtitle in Article 9.
 - (1) Employees with two (2) or more years of seniority in one Work Classification, who are transferred to a second Work Classification, may return to the original Work Classification within two (2) years without interruption of seniority in the original Work Classification. Within 10 days of return to the original work classification, a declaration of the classification where seniority accrues will be made in writing (an email is acceptable) to Human Resources. The declaration will be kept on record in the employee's personnel file.
 - (2) If assigned to the second Work Classification longer than two (2) years, the employee may return to the original Work Classification with the seniority established while previously in that Work Classification. It is understood that seniority cannot be earned in two jobs or Work Classifications at the same time.
- C. DISTRICT SENIORITY shall be the length of continuous employment with Grant PUD since the last date hired within the bargaining unit.

6.1.2 Seniority Application. For employees who meet qualifications set forth in 6.2.5 or 6.2.6, it is understood and agreed that in all cases of promotion or transfer, (for example, change in headquarters, shifts, etc.), seniority shall be applied in the following order:

- A. Length of Job Title Seniority

B. Length of Work Classification Seniority

C. Length of District Seniority

6.1.3 Probationary Period.

- A. The first twelve (12) months of continuous service shall constitute a probationary period during which continued employment shall be at the option of the utility. A probationary employee shall not be eligible to bid another job title prior to successful completion of his/her probationary period.
- B. In cases where probationary employees apply for and are accepted into another job title within their twelve (12) months probationary period, they will begin a new twelve (12) month probationary period beginning on the date the employee transfers to the new job title. However, in no event shall an employee covered by this provision serve more than an eighteen (18) month probation period.

6.1.3.1 Reference is hereby made to Section 5.2.4 regarding Short-Term Disability and Occupational Disability absences.

6.1.3.2 Seniority & LTD. Seniority under this Agreement shall not accrue while an employee is absent on long-term disability (LTD) leave (full-time or part-time absence).

6.1.4 Seniority Error Correction. Errors in past applications of seniority shall be corrected at the time of vacancies occurring in the future. However, alleged misapplication of seniority must be grieved per Section 4.2.

6.1.5 Same Day Seniority – Tiebreaker. In cases where two (2) or more employees start to work on the same day they will have the same District Seniority date, and the date and time the employee's application for employment was received and stamped by the utility shall establish the employee's position on the seniority list.

6.1.6 Seniority and Military Service. Employees who are granted leave from the utility for Military Service shall retain and accrue seniority in accordance with the requirements outlined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, and as amended.

6.1.7 Seniority List. A seniority list shall be made up and posted when this Agreement takes effect and at least annually thereafter.

6.1.8 Seniority and Non-Unit Positions. Grant PUD, with the consent of the employee, may temporarily assign bargaining unit employees to work in non-bargaining unit positions for a period not to exceed twelve (12) consecutive months. These temporary assignments may be used for purposes including, but not limited to, trial supervisory roles, administrative support, or other operational needs outside the jurisdiction of the bargaining unit. This does not apply to employees who accept a permanent position outside the bargaining unit. may assign interested employees to work in non-bargaining unit positions lasting up to six (6) months without affecting the employee's previously accrued seniority and other rights under the Agreement. However, the employee shall not continue to accrue bargaining unit seniority during this period.

Prior to the start of any temporary assignment, the Employer shall provide written notice to the Union that includes the employee's name, the nature of the assignment, the anticipated duration, and whether the duties may affect jurisdictional lines. The Union may raise any concerns regarding the proposed assignment through the labor-management process.

During the period of temporary assignment:

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- A. The employee shall retain all previously accrued bargaining unit seniority and shall continue to accrue additional seniority in their permanent job title and classification under the bargaining unit agreement.
- B. The employee shall retain the right to return to their former bargaining unit position at the conclusion of the temporary assignment, provided the duration does not exceed twelve (12) consecutive months.
- C. The Union shall retain the right to file grievances on behalf of the employee for any matters arising during the assignment that affect the employee's status, rights or conditions or employment under the collective bargaining agreement.
- D. The employee shall continue to receive health and welfare benefits equivalent to those provided under the collective bargaining agreement, unless otherwise mutually agreed.

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6.1.9 Seniority and Temporary Assignments/Upgrades. An employee working on a temporary work assignment or temporarily upgrades to a higher job title will not accrue seniority in the temporary assignment. The employee will continue to accrue seniority (job title/classification) within his/her regular job title. An employee shall not sacrifice future rights through failure to exercise his/her seniority or bidding rights.

6.1.9.1 Qualifications being satisfactory, the employee selected for Personal Leave relief should be chosen according to job seniority within the crew or equivalent group.

6.1.10 Seniority and Temporary, On-call and Seasonal Employees. Temporary, On-calls, and Seasonal employees do not accrue seniority per Section 6.1.1, Seniority Definitions. Nor do they have any bidding rights per Section 6.2, Posting and Bidding Procedure.

6.2 Posting and Bidding Procedure.

6.2.1 Notwithstanding any other provision of this Agreement, Grant PUD shall have the unrestricted right of selection or hire for all Entry Level, On-call, Seasonal, Student and Temporary jobs. Temporary for the purpose of this Section shall be jobs lasting less than six (6) months. Except as otherwise agreed, On-Call, Student, Seasonal and Temporary jobs of less than 90 days shall be exempt from posting and bidding. Grant PUD may consider, at its discretion, the application of any utility employee when filling these positions.

- A. Openings will not be posted for bid for those jobs where the parties have agreed to automatic progression. However, bids shall be issued where headquarters or shift preference is involved.
- B. An employee who wishes to bid on an entry level job may do so. An employee who wishes an entry level job shall indicate his/her preference in writing to the utility's Human Resources Office. Such an employee shall be given consideration.
- C. For the purpose of this Section, job openings shall be considered openings created by vacancy or the initiation of a new job.
- D. Temporary jobs of more than 90 days duration, but less than six (6) months shall be bid, unless as otherwise designated in Article 9.
- E. Bid Eligibility – Employees who do not meet the following qualifications shall be considered ineligible bidders for the purpose of advancement or transfer to a different job title. This restriction does not apply to – Headquarters changes with in the same job title or shift changes within the same job title. In order to determine whether an employee meets the qualifications for a posted bid position the following factors shall be reviewed:
 - a. Disciplinary Record – To be eligible the employee must not have received a written disciplinary action within the twelve (12) months prior to the bid closing date. Documented coaching's do not apply.

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b. Minimum Job Qualifications – To be eligible the employee must meet all minimum requirements as stated in the applicable job description, including but not limited to time-in-job training and experience and other requirements are met.

c. Testing /Assessments – To be eligible, the employee must achieve established passing scores on required tests or assessment, as outlined in Career Ladder or related agreements.

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6.2.2 All job ~~openings-postings~~ shall be posted throughout the utility either by email or via Grant PUD's intranet (a copy shall be furnished to the Union via email). Such posting shall indicate the probable duration of the job.

- A. Vacancies shall be posted for bid for a period of not less than seven (7) days. An employee desiring another job that may be posted during an approved leave may file a standing bid for such a job for the duration of the leave. After the closing date of internal openings, bids will be opened, and a list of those bidding will be furnished the Union and all Shop Stewards.
- B. The utility shall advise the Union and all Shop Stewards within 21 (twenty-one) calendar days after the closing date as to whom it intends to award the job. However, for those positions that require testing and interviewing, this 21 (twenty-one) calendar-day notice requirement may be exceeded.
- C. It shall be the responsibility of the bid applicant to provide all information in the bid which the employee feels important to proper consideration of his/her qualifications.

6.2.3 The utility may make temporary assignments to facilitate this Bidding Procedure.

6.2.4 When vacancies are anticipated in a job title which may create vacancies in other headquarters and or shifts, the utility may elect to post one bid notice covering all locations where vacancies are anticipated. Regular employees qualified to bid on such vacancies will submit one bid indicating the preference of locations, if any.

6.2.5 Special Bid Considerations-Transfer to New Jobs.

- A. When vacancies occur, employees shall be advanced, in accordance with their seniority and desire, to the highest job title for which they possess the necessary qualifications. There may be exceptions described in this Agreement covering the selection for certain Work Classifications or job titles. In all cases of promotion, transfer, demotion and lay-off of personnel, the following factors shall be considered: Knowledge, skill, ability, training, and fitness for duty.
- B. It is further understood and agreed that Grant PUD shall not award a position to an employee spouse or close relative, however senior and qualified, if the result would be a reporting relationship with inherent actual or potential conflict of interest. The parties agree that Grant PUD's policies pertaining to the Employment of Relatives and Code of Ethics for public employees will govern.
- C. Employees awarded job bids shall begin to accrue seniority in the new job title on the date of award. However, the pay rate of the new job title shall not commence until the employee begins performing the duties of the job. The transfer of the successful bidder(s) to the new job may be delayed for up to 45 calendar days from date of award when interviewing and testing is required to fill the resulting, bottom-line openings.

6.2.6 When making selections to fill Foreman or other bargaining unit lead position (those who direct work, such as ~~Senior Clerk or Lead Warehouseman~~ Foreman, Supervising Foreman, Sr.'s Lead Workers) vacancies, the factors considered shall be prior work performance, disciplinary record, training supervisory skill and ability, technical

knowledge and ability, work experience, efficient and safe direction of workers, knowledge of the collective bargaining agreement and Grant PUD policies, as well as seniority. This special reference indicates agreement between the parties concerning qualifications to become Foreman or bargaining unit leads. The standards set forth require that a Foreman, Sr. or Lead employee be above the average required for normal advancement.

6.2.6.1(a) Grant PUD may elect to establish an administrative policy that provides a uniform method for Foreman selection that is acceptable to the Union according to the following guidelines:

- A. A Union/Management Committee (4/2) selects from internal applicants to fill Foreman/Senior Operator pool.
- B. Establish annual testing process for applicants to get in pool.
- C. Require a score of 80% or higher on tests or evaluations administered by the interview and selection committee for the candidate to be included in the qualified pool.
- D. Individuals must demonstrate satisfactory performance to maintain position in pool through evaluation process.
- E. Implement standard evaluation process and utilize defined performance criteria.
- F. Through Labor-Management, identify pool of trained interviewers and testers.

If no pool exists, all of the above guidelines shall apply; however, Item D is not applicable in the absence of an ongoing pool, and testing shall be conducted each time a Foreman position is posted.

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6.2.6.1(b) Supervising Foreman/Chief Operators will be selected by:

- A. Management/Union Committee consisting of an equal number of bargaining unit employees and management employees, minimum of (3/3), who will review the candidates and make a recommendation, with final selection based on management ~~Right right of Selection-selection~~ from qualified internal candidates.
- B. Chief Operator job description will include 3 years of experience as Senior and a current Senior.
- C. Supervising Foreman job description will include 3 years of experience as Foreman and a current Foreman unless otherwise agreed to by the parties.

6.2.7 If, within the time provided in Section 6.2.2, the utility does not receive any bids for a posted job, or no employees with the required qualifications bids, the utility may fill the job by: If the utility does not, within the time provided in Section 6.2.2 above, receive any bids on a job which has been posted, or does not receive a bid from an employee who possesses the qualifications as set forth in 6.2.6 (for Lead) and 6.2.5 (for Non-Lead) above, the utility may fill the job by:

- A. Hiring from outside
- B. Appointing the least senior qualified employee, or
- C. Appointing any employee who bid the position and has demonstrated to the satisfaction of Grant PUD an ability to be trained for the position.

6.2.8 When both the Union and Grant PUD agree, the bidding procedure can be waived in favor of advancing the eligible employee(s).

6.2.9 Temporary Assignments. Notwithstanding other provisions of this Agreement, Grant PUD may offer, and employees may accept, temporary work assignments of ninety (90) days or less. Such assignments will be limited to personnel in the headquarters in which they occur. Such offers, if and when made, will be based on the appropriateness of the employees for the temporary assignment as determined by the utility. It is understood that such assignments are offered and accepted as being begun and ended without the payment of special shift rates, shortchange, or penalties avoided using temporary hires for such assignments.

6.3 Reduction-in-Force and Recall

6.3.1 Reduction-in-Force

6.3.1.1 In the event of reduction-in-force (RIF), Grant PUD shall identify all affected positions by Job Title and Headquarters. Grant PUD shall notify the Union and the affected employees in writing no later than two (2) weeks prior to the effective date of such reduction.

6.3.1.2 On the basis on District Seniority as defined in Section 6.1.1(c), affected employees may bump another bargaining unit employee under the following conditions. The bumping employee:

- A. has previously held full-time, regular employee status in or is qualified to perform the duties of the job title into which ~~he/she~~the employee desires to bump; and
- B. can exercise bumping rights only once for each RIF, unless subsequently bumped; and
- C. has more District seniority than the employee being bumped; and
- D. exercises bumping rights set forth herein within one (1) week from the date of the utility notice required by Section 6.3.1.1.

6.3.1.3 Employees exercising their rights under Section 6.3.1.2 will be allowed thirty (30) days in which to demonstrate proficiency in that job title or be reduced from the work force.

6.3.2 Recall

- A. Full-time, regular employees reduced from or within the utility work force shall retain rights to recall to the job title from which they were reduced for a period of two (2) years from the date of reduction, during which time they shall retain their seniority.
- B. During this two-year period, no employee shall be hired to fill a job title from which a bargaining unit employee has been reduced until and unless the reduced bargaining unit employee has been offered reinstatement to the job title from which reduced.
- C. Recall rights established by this Section are contingent upon the reduced employee keeping the utility informed of ~~his/her~~their current address and telephone number and, upon receipt of an offer of reinstatement, reporting for work within two (2) weeks of receipt of such offer.

6.3.2.1 During the two (2) year recall period, employees reduced from the workforce may accept Grant PUD offers of temporary work without affecting recall rights set forth in Section 6.3.2.

6.4 Pay Days

6.4.1 Grant PUD will pay employees at least twice a month and will maintain the presently designated paydays of every other Thursday.

6.4.2 Direct Deposit – Payment of wages will be made by direct deposit.

6.4.3 When the payroll system is unable to process a change in wages or benefits on the effective date, any increase to an employee's wage (step progression, etc.) shall be effective either at the beginning of the pay period in which the increase is issued if the increase occurs in the first pay week of that pay period, or at the beginning of the pay period following the date the increase is issued, if the increase occurs in the second pay week of the pay period. A pay week for this purpose is considered Friday through Thursday.

6.4.5 For annual general wage increases that have been negotiated (those that typically occur on April 1 annually), these increases will be implemented on the first day of the pay period in which effective date of the increase falls. This practice shall remain in place until such time a new payroll system or process that can effective date increases is implemented.

6.5 Required Certifications and Licenses and Commercial Driver's License (CDL).

6.5.1 For employees who have completed their probationary period, the Grant PUD will pay the cost of maintaining a Commercial Driver's License (CDL) required of them by the utility, provided that a non-probationary employee who is promoted or transferred to a position which results in the utility requiring a CDL shall have the cost of obtaining and maintaining such CDL paid by the utility. Failure by the employee of any test for receipt of the CDL shall result in the employee bearing the expense of any subsequent training and re-testing costs.

6.5.2 Required Certifications and Licenses.

Certain positions within Grant PUD require employees to obtain and maintain specific certifications, licenses, or other professional credentials as a condition of employment. These requirements are identified in the applicable job description or position documentation and are essential to ensure employees possess the necessary qualifications to safely and effectively perform assigned duties.

Employees hired into, assigned to, or promoted into positions requiring a certification or license must obtain the required credentials within the timeframe specified in the applicable job description, unless otherwise provided below. Failure to obtain or maintain such certification or license within the established timeframe will constitute failure to meet the minimum qualifications for the position. In such circumstances, Grant PUD may take appropriate employment action, which may include reassignment, demotion, or termination of employment.

Employees who are required to obtain a CDL shall have up to twelve (12) months from the date of hire or placement into the position to successfully obtain and maintain the required CDL. This timeframe supersedes any CDL – related timelines stated in job descriptions. Employees who fail to obtain the required CDL within this twelve (12) month period shall be subject to termination of employment.

If issues arise that are outside the employee's control which prevent timeline completion of a required certification or license – such as unavailability of required training, testing or coursework - Grant PUD, Union Representative and the employee work together to establish a revised completion date specific to that employee, certification/license/credential and circumstance. The extension shall be documented and communicated in writing. Employees who fail to obtain the required certification, license or credential within the extended timeframe shall be subject to termination of employment.

This requirement is not intended to be punitive in nature, but reflects the essential qualification of the position. Any employment action taken under this provision during an employee's probationary period as defined in Section 6.1.3.

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shall not be subject to the grievance and arbitration procedure. Employment action taken after the completion of the probationary period shall be subject to the grievance and arbitration procedure.

ARTICLE 7

GENERAL WORKING RULES

7.1 Work Week and Work Shift Schedules

7.1.1 Regular Shift

- A. The five (5) days, Monday through Friday, with two (2) consecutive days, Saturday and Sunday off, shall constitute a workweek. A workweek begins based on employee's shift assignment and ends 168 hours later.
- B. The eight (8) hours from 8:00 AM to 12:00 Noon and 1:00 PM to 5:00 PM shall be the workday. The one (1) hour from 12:00 Noon to 1:00 PM shall be the lunch period.
 - (1) NOTE: Based on employee's shift assignment, the lunch period may be ½ hour, 12:00 Noon to 12:30 PM, with end of regular shift at 4:30 PM.
 - (2) The workday shall be considered to begin and end at Midnight.
 - (3) Exceptions to these hours may be established to meet the conditions in particular cases by mutual agreement of the parties.
- C. Work hours expressed in Section 7.1.1 (B) may be changed by mutual agreement by the employee and Supervisor provided the employee shall start between 6:00 AM and 9:00 AM. This agreement shall be made during work hours for prospective work schedules. Such hours shall be considered regular working hours, and Saturday, and Sunday will remain regular scheduled days off. In the event no mutual agreement of work hours is reached, work hours in Section 7.1.1 (B) shall apply. This principle may be applied to schedules provided in Section 7.1.2 (B)

7.1.2 Other Shifts

Grant PUD may establish Day Shifts, Dedicated Shifts, Rotating Shifts, or Specified Shifts as are necessary for the conduct of its business. Work rules for rotating and other special shifts are covered in Article 8.1.

7.1.2.1 Non-Rotating Shift Employees

A. Day Shift – 10 Hour Shift

The Alternate Work Week provided for herein is an exception to the workweek specified in 7.1.1. Such an Alternate Work Week will be implemented if seventy-five percent (75%) of the employees in a crew or equivalent group indicate willingness to such an exception and the District's management agrees to such an exception.

Guidelines

- (1) Workday hours for four 10-hour day schedules will be ten (10) consecutive hours beginning between 6:00 AM and 9:00 AM, with the exception of one-half hour or one hour for lunch, all as agreed between the parties.
- (2) The workweek schedule for employees working four 10-hour days shall be:
 - a. Monday through Thursday, or
 - b. Tuesday through Friday.
- (3) All overtime hours worked outside the regular 10 hour, four-day schedule shall be at the premium rate (2X).
- (4) Personal Leave, Floating Holidays and Jury Duty absences will be charged hour for hour, for absences during regularly scheduled hours.
- ~~(5) Holiday pay will be eight (8) hours pay for all holidays. On holidays not worked, employees will:~~
 - ~~a. Take two (2) hours of Personal Leave or Floating Holiday hours in addition to eight (8) hours of holiday pay.~~
 - ~~b. Take two (2) hours of unpaid time on the holiday (without loss of seniority or benefit accruals), or~~
 - ~~c. Work eight (8) hour days during the week the holiday falls.~~
- ~~(6)~~(5) With mutual consent between the supervisor and the employee, the employee may work five (5) eight-hour (8) days due to training, Personal Leave, Jury Duty (employees working any shift other than day shift refer to Section 5.7.1), or other appropriate circumstances. In such case, the schedule change shall occur following scheduled days off.
- ~~(7) When a holiday falls on a regularly scheduled day off:~~
 - ~~a. If Friday is the regularly scheduled day off, the Thursday preceding the holiday shall be observed.~~
 - ~~b. If Monday is the regularly scheduled day off, the Tuesday following the holiday shall be observed.~~
- ~~(8)~~(6) Work on a holiday will result in eight (8) hours of holiday pay and premium pay (2X) for all hours worked on the holiday.
- ~~(9)~~(7) The Union or the District may terminate application of the Alternate Work Week to any crew or equivalent group by providing ten (10) days of notice to the other party, whereby the regular shift of 7.1.1 would apply.

B. Dedicated Shifts

Notwithstanding the above, Grant PUD may establish regular Swing and Graveyard shifts.

Employees on second (Swing) shifts will work either:

- A. five (5) days a week for seven (7) hours and forty-five (45) minutes but will be paid for eight (8) hours followed by two consecutive days off.

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B. four (4) days a week for nine (9) hours and forty-five (45) minutes but will be paid for ten (10) hours followed by three consecutive days off.

Employees on third (Graveyard) shifts will work either:

A. five (5) days a week for seven (7) hours and thirty (30) minutes but will be paid for eight (8) hours followed by two consecutive days off.

B. four (4) days a week for nine (9) hours and thirty (30) minutes but will be paid for ten (10) hours followed by three consecutive days off.

~~Employees on second (Swing) shifts will work seven (7) hours and forty-five (45) minutes but will be paid for eight (8) hours; employees on third (Graveyard) shifts will work seven (7) hours and thirty (30) minutes but will be paid for eight (8) hours. Straight-time rates and working conditions governing regular working hours shall prevail. Saturday and Sunday shall be the regular scheduled days off.~~

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7.1.3 Shift Change – Non-Rotating Employees

- A. When an employee is assigned to any shift other than the one ~~he or she~~the employee has bid, ~~he or she~~the employee shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours. Except as provided for hereinabove, the employee will be paid at the regular straight-time wage rate for such shifts.
- B. When changing shifts, employees shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the employees shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.

7.1.4 Specified Shift

- A. When necessary, if work is to be done on any specified job, such work may be organized on a shift basis. Employees assigned and transferred to such shifts shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours. Specified shifts shall not be established for work which can be performed with the same efficiency and productivity during the workweek specified in Section 7.1.1 (A) and (B).
- B. In the case of a shift change for more than 40 hours, the employees will be paid at the regular straight-time wage rate for the 41st hour and after. Working conditions governing regular working hours shall prevail for any eight (8) or ten (10) hour shift. Grant PUD may, at its discretion, deny leave during such periods of work.
- C. In cases of required training, emergency, non-routine and non-scheduled maintenance, or situations of 40 hours or less where work on the specified job is not practicable, employees working such shifts may be required to perform work other than that for which the shift was originally established. Employees assigned and transferred to such shifts shall be paid at the overtime rate for each day worked on such shift, up to a maximum of 40 hours.

7.1.5 Workdays and Work Schedules for Rotating Shift Personnel (RSP)

- A. Rotating 12-Hour Shifts
This provision authorizes the parties to establish rotating 12-hour shifts that are covered in Article 8 and/or by Letters of Agreement referenced in Appendix B.

B. Rotating 8-Hour Shifts

- (1) The workweek of all RSP shall be adjusted so that employees will have two (2) consecutive days off in seven (7) days, unless otherwise mutually agreed to by the Union and Grant PUD. In shift changes, RSP shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
- (2) The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
- (3) When changing shifts, shift or relief workers shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the worker shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.
- (4) Employees working a Rotating Shift schedule may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.

C. Relief Work – Rotating Shift

- (1) With less than ten (10) hours of notice, a relief worker whose shift is changed shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade pay) for the first eight (8) hours worked.
- (2) If a relief worker has been scheduled off on a holiday and then is rescheduled to work the holiday with less than six (6) days of notice, the worker shall receive straight-time plus penalty pay plus holiday pay, the three combined equaling triple time (three times the base or appropriate upgrade rate) for the first eight (8) hours worked.

Shift workers who have had a minimum of eight (8) hours off duty shall not be required to take time off their regular shift as a result of working overtime or as a result of working on a holiday.

7.1.6 Inclement Weather – Work Assignments

It is recognized that at times weather conditions experienced in the utility service area are beyond that to which an employee can safely work. The utility agrees that under such conditions, employees may be assigned work in a protected area. The intent of this provision is to reaffirm the utility's willingness to recognize inclement weather as a valid reason for a Supervisor to assign alternate duties in a reasonable amount. The Union recognizes that emergency work involving danger to life or property must be performed, regardless of weather conditions. Determination as to what constitutes inclement weather will normally reside with the first line of supervision. However, inclement weather determinations or cases in doubt will promptly be referred to the next higher level of supervision for concurrence and/or reassignment of work.

7.1.7 Lack of Work Provision

Unless relieved at their own request, employees relieved from duty except for cause during the first half of the day or shift shall receive not less than one-half ($\frac{1}{2}$) day's pay; if relieved, after having been on duty more than one-half ($\frac{1}{2}$) day, they shall receive a full day's pay.

7.2 Overtime Provisions

7.2.1 Overtime Rate. Employees shall be allowed overtime at the rate of double time for all time worked other than the employee's regularly scheduled day or shift. No pay shall be allowed while eating or sleeping.

7.2.2 Overtime Definitions

- A. Scheduled Overtime – When employees are notified prior to leaving work, such time worked shall be known as "scheduled overtime." Employees shall report for work at the designated time and headquarters.
- B. Hold Over Overtime – Employees who continue to work at the end of their regular shift will receive the overtime rate for the additional actual time worked.
- C. Callout Overtime – When an employee is called to report for an overtime assignment, such overtime shall be "callout overtime."

7.2.3 Scheduled Overtime

- A. Minimum compensation is three (3) hours at the straight-time rate of pay, unless the overtime assignment is contiguous with the employee's regular shift, in which case overtime payment will be actual time worked.
- B. Employees who are scheduled for overtime work and who receive notice of cancellation of such overtime less than twelve (12) hours prior to the time scheduled to work shall receive two (2) hours pay at the straight-time rate.

7.2.4 Callout Overtime

- A. Employees shall be paid at the overtime rate from the time they reach their headquarters or reporting place until they go on their regular shift or are relieved from duty, plus payment of one (1) hour at the overtime rate.

- (1) Minimum Call compensation shall be three (3) hours at the straight-time rate of pay. Employees called out are subject to working during the full period for which callout is paid.

- (2) Overtime paid within one (1) hour prior to the regular shifts shall be limited to actual time worked.

- B. Remote Callout Overtime – When overtime work can be performed remotely by an employee with remote-work capabilities and a remote work agreement, the employee shall perform the work remotely. If the employee is unable to perform the overtime work remotely due to an internet outage, system access issue, power outage, or natural disaster, or if an employee is closer to a worksite where they perform their work the employee may report to the worksite and shall receive travel pay in accordance with Section 7.2.7.

- (1) Employees shall be paid at the overtime rate from the time they begin performing work until they go on their regular shift or have completed the call out assignment or are relieved from duty.

- (2) The minimum call-out compensation for remote call-out overtime shall be thirty (30) minutes at the overtime rate of pay. If the duration of the remote call-out exceeds thirty (30) minutes, the employee shall be compensated at the overtime rate for actual time worked up to one (1) hour.

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If the remote call-out exceeds one (1) hour, the employee shall receive the applicable overtime call-out minimum compensation as provided in Section 7.2.3(A).

(3) Overtime paid within one (1) hour prior to the regular shifts shall be limited to actual time worked.
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7.2.5 Rest Period/Return to Duty

- A. Employees who work four (4) or more hours during the eight (8) hour period immediately prior to the beginning of their regular shift or have worked more than sixteen (16) consecutive hours, shall either continue at the overtime rate (except intermission for meals) or be relieved from duty for not less than eight (8) consecutive hours. The rest period shall begin immediately following completion of the overtime work. Returning to work during or after this eight (8) hour rest period shall be at the direction of the Supervisor.
- B. For the conditions and hours worked set out in Section (a) above, the following shall apply:
- (1) In the event of a call-out, when all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight-time rate for the regular shift.
 - (2) For scheduled overtime, when all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight-time rate for one-half (1/2) of the regular shift not worked. The employee may choose to use Personal Leave or take leave without pay for the non-paid portion of the regular shift.
 - (3) If an employee is called back to work during the employee's rest period, the employee will be paid at the overtime rate for all hours worked until the employee has been provided a rest period of eight (8) or more continuous hours.
 - (4) An employee will not be required to return to work after the eight (8) hour rest period if three and one-half (3 ½) or fewer hours remain on the employee's regular shift unless otherwise directed by the employee's supervisor, when an emergency exists or when the person is needed to fill a crew component so the crew work can continue.

7.2.6 Rest Period/Return to Duty Power Delivery, Telecom & Fiber Services

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A. Employees who work overtime of four (4) or more hours prior to the beginning of their regular shift, will be relieved from duty for not less than eight (8) consecutive hours rest period. If an employee works more than sixteen (16) consecutive hours, the employee will be entitled to a rest period of eight (8) consecutive hours upon the completion of the overtime work.

B. For scheduled overtime:

(1) When all or part of the employee's eight (8) hour rest period extends into the employee's regular shift, the employee will receive pay at the straight time rate for any part of their regular shift that a rest period overlaps.

(2) An employee will not be required to return to work after the eight (8) hour rest period if three and one-half (3 ½) or fewer hours remain on the eight (8) hour work scheduled or four and one-half (4 ½) hours remain on the ten (10) hour work schedule shift unless otherwise directed by the employee's

supervisor for business needs. The employee may choose to use Personal Leave or take authorized Leave Without Pay for the remaining portion of the regular shift.

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7.2.7 Travel for Overtime Work

Under the following conditions employees scheduled to work overtime will be paid ~~one-half~~one-half (1/2) hour of the overtime rate for travel time only when travel to a work site is required:

- A. When scheduled to work for less than a full shift that does not fall immediately prior to or after a regular shift, except when notified of the schedule before the end of the last regular shift.
- B. When given less than two (2) hours advance notice to work a full shift at the overtime rate. When given at least two (2) hours of notice to work a full shift at the overtime rate, travel time will not be paid for.

7.2.78 Employees who are scheduled for overtime work and who receive notice of cancellation of such overtime less than twelve (12) hours prior to the time scheduled to work shall receive two (2) hours pay at the straight-time rate.

7.2.9 Calls and Electronic Communications at Home to Perform Compensable Work Calls & Texts at Home to Perform Work

A. Compensable Work

Consistent with Washington State wage and hour law, if an employee is contacted by the Employer outside the employee's regular scheduled shift by telephone, text message, email, video call, or other electronic means and is expressly directed by the Employer to perform compensable work, the employee shall be paid for all time actually worked. Compensable work includes substantive job-related duties that are not de minimis.

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B. Minimum Compensation

When such off-duty contact requires the employee to perform substantive compensable work, the employee shall receive a minimum of thirty (30) minutes of pay at the applicable overtime rate per occurrence.

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C. Actual Time Worked

If the total time spent performing compensable work exceeds thirty (30) minutes, the employee shall be compensated for the actual time worked, rounded in accordance with applicable law and the Employer's established timekeeping practices.

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D. Multiple Contacts

Multiple contacts related to the same work matter occurring within a single thirty (30) minute period shall be treated as one occurrence for purposes of the minimum compensation described above.

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E. Examples of De Minimis, Non-Compensable Communications

The following are examples of brief or incidental communications that do not constitute compensable work, provided they do not require substantive job-related duties and do not exceed de minimis thresholds under Washington law. These examples are illustrative and not exhaustive. If such communications cumulatively exceed de minimis thresholds or require substantive work, they shall be treated as compensable:

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a. Acknowledging receipt of a message (e.g., "OK," "Got it," or similar).

b. Responding to availability or scheduling inquiries without performing scheduling work.

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- c. Receiving informational messages, reminders, or notifications that do not require action.
- d. Brief clarification questions that do not involve analysis, decision-making, or follow-up work.
- e. Reading or reviewing an email or text that does not require a substantive response or task.

F. Examples of Compensable Work

The following are examples of off-duty communications that generally constitute compensable work when required by the Employer. These examples are illustrative and not exhaustive:

- A. Performing scheduling functions, including arranging coverage, approving or denying leave, or making schedule changes.
- B. Investigating, analyzing, or resolving customer, operational, or employee issues.
- C. Providing work-related direction, instruction, or decision-making affecting operations.
- D. Accessing systems, databases, or work platforms to complete job-related tasks.
- E. Participating in extended or substantive work-related calls, emails, or text exchanges requiring problem-solving or follow-up.
- F. Scheduling Duties Customer Service Representatives— If assigned scheduling duties, calls pertaining to scheduling for personal leave considerations outside the employees regular shift, the thirty (30) minute minimum shall be in effect, however multiple calls within the same thirty (30) minutes will not result in an additional thirty (30) minutes overtime payment unless the actual time of the phone call exceeds the thirty (30) minutes, then pay will be for actual time on the phone. Please note, scheduling duties can shift back to being a management responsibility at management's discretion.
- G. There is no job jeopardy to employees who are not available to receive home phone call(s).

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7.3 Meal Periods and Special Meal Provisions

7.3.1 Normal mealtimes for employees will begin at: (except for mutually agreed shifts)

	<u>Day Shift</u>	<u>Swing Shift</u>	<u>Graveyard Shift</u>
Breakfast	6:30 AM	2:30 PM	10:30 PM
Lunch	12:00 Noon	8:00 PM	4:00 AM
Dinner	6:00 PM	1:00 AM	9:00 AM
Midnight Meal	12:00 AM	7:00 AM	3:00 PM

These mealtime starts may be changed and can occur up to six (6) hours after the beginning of the shift by mutual agreement of the parties.

7.3.2 In lieu of a specific identified meal allowance, other wages in amounts defined in Article 9 of this Agreement shall be added to each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.

7.3.3 When work is being performed on the utility's facilities at a location which would require an absence greater than the meal period length, the employees shall carry their meals to be eaten at the job site unless otherwise notified by the utility. Employees who do not normally carry a lunch will be notified.

7.3.4 Other provisions of this Agreement notwithstanding, employees called out shall be entitled to a meal break only after they have worked a minimum of one and one-half (1½) hours.

7.3.5 Lunch time may be moved without penalty as much as one-half (1/2) hour earlier or later when necessary to promote work continuity. An employee who is unable to eat lunch within this window shall be provided a lunch period and shall receive one-half (1/2) hour pay at the regular straight-time rate. This is not to be considered time worked.

7.4 Travel Time

7.4.1 Employees shall travel from shop to shop on utility time and shall report at shop headquarters in which they are regularly employed.

7.4.2 When conditions are such that an employee is assigned, temporarily, to a headquarters which is closer or equal in distance to that of his home to his permanent headquarters, then the employee shall report directly to the temporary headquarters.

7.5 Headquarters

7.5.1 Established headquarters shall be designated for each full-time, regular employee by the utility.

- A. Transfer from one established headquarters to another shall not be affected for any period of less than three (3) months.
- B. Employees being dispatched from headquarters to headquarters or back shall travel on utility time, at utility expense.
- C. Grant PUD may assign temporary headquarters for on-the-job training during the probationary period and for training as outlined and agreed-upon in career ladders.

7.5.2 Grant PUD, at its option, may establish temporary headquarters at any location where suitable board and lodging can be obtained or provided but the determination as to whether such headquarters are temporary or permanent shall be made and the employees so notified in advance of transfer.

7.5.3 Board and lodging shall be furnished for all employees sent on temporary out-of-headquarters work. This rule does not apply to Noon-day meals, when employees start from and return to headquarters every day; provided employees are notified on the day next previous that they will be away from headquarters at Noon meal time; nor does it apply to employees hired for any particular job which may be outside of the headquarters.

7.5.4 Employees being dispatched to or from permanent headquarters to temporary headquarters will be paid regular wage rate for time consumed in traveling and traveling expenses. Grant PUD will pay actual expenses for lodging and per diem for meals per Grant PUD policy while employees are working out of temporary headquarters.

7.6 ~~(Open)~~ Journeyman Examination and Career Ladder Progressions

7.6.1. The parties acknowledge that certain positions within Grant PUD require journeyman-level knowledge, skills and abilities, or progression through designated Career Ladders, in order to safely and effectively perform essential job duties. Successful passage of the Journeyman examination, or completion of the required benchmarks, assessments and qualifications identified in the applicable Career Ladder, within the timeframe specific in the applicable job description or Career Ladder framework, is a critical qualification standard necessary to ensure employee competency, system reliability and public safety.

The intent is to ensure that employees who are hired into, assigned to, or promoted within position requiring journeyman status or governed by a Career Ladder achieve the necessary qualifications in a timely manner. If an employee does not successfully pass the Journeyman examination or achieve the required Career Ladder benchmarks within the established timeframe, the employee will not have met the minimum qualifications for the position or level. In such circumstances, Grant PUD may take appropriate employment action which may include reassignment, demotion, or termination from employment.

This requirement is not intended to be punitive in nature but rather reflects the essential qualifications required for certain positions and levels.

7.6.2. Employees hired directly into a journeyman-level classification from outside the organization ("off the street"), must pass the Journeyman Examination prior to the end of their probationary period. Employees are required to take the exam within six (6) months of their hire date. During this period, the employee will receive reasonable access to training, materials and opportunities necessary to demonstrate competency. Employees who have been unsuccessful in passing the examination within twelve (12) months from their date of hire shall be separated from employment in accordance with 6.1.3.

7.7 Dual Pay Rates

7.7.1 An employee placed on temporary assignment to a higher paying job title shall receive the rate of pay of the higher job title that represents an increase for the time worked in the higher job title. The minimum upgrade for Foreman shall be two (2) hours.

Except, individuals upgraded for a full regularly scheduled shift before and after the holiday or the calendar day before the holiday will be paid the upgraded rate during the holiday.

7.8 (Open)

7.9 Safety Rules

7.9.1 Safety Rules as adopted by the Department of Labor and Industries of the State of Washington shall be considered as a part of this Agreement.

7.9.2 Grant PUD agrees to furnish protective shields and first aid sets for the protection of employees working on any work where protective apparatus is needed.

7.9.3 The Union and Grant PUD have agreed to establish a Personal Protective Equipment (PPE) Committee. See LOA #52

7.10 Apprentices

7.10.1 All Apprentices, upon completion of the apprenticeship training period and satisfactorily passing an examination given by the Union, shall be advanced to the Journeyman rate until such time as a headquarters opening occurs for a Journeyman. An Apprentice having served his/her apprenticeship shall not be removed in favor of a new Apprentice. Upon the recommendation of the Joint Apprenticeship Committee, an Apprentice shall be advanced one (1) apprenticeship pay classification at the completion of each six (6) months of satisfactory work as an Apprentice. There shall not be more than one (1) Apprentice to every crew of from two (2) to six (6) Journeymen; provided, however, upon recommendation of the Joint Apprenticeship Committee, the ratio of Apprentices may be altered for specific training purposes.

Upon entering the Apprentice program an Apprentice waives all right to bid headquarters but may be transferred to other headquarters and/or crews for training purposes notwithstanding other provisions of this Agreement. For such purposes, and when recommended by the Apprenticeship Committee, the Apprentice shall provide his/her own transportation if assigned to a headquarters for three (3) months or more and will travel on his/her own time.

Consistent with the Apprenticeship Standards, Apprentices will work under the direct supervision of a Journeyman.

7.11 Forced Transfers

7.11.1 In forced transfers, following the appropriate posting and bidding procedures, the utility will announce an excess of employees in a Job Title at an established headquarters/shift. Employees declared surplus and those subsequently displaced shall be entitled to displace less senior employees in their Job Title at another headquarters/shift, provided they have Job Title seniority over the employee being displaced. Those displaced employees who were not involved in the actual bid process shall be given up to twenty-four (24) hours to choose an assignment when a choice of assignments exists.

7.12 Exchange of Jobs and Transfers

7.12.1 With the approval of the Grant PUD and the Union, exchange of jobs may be made by mutual agreement with the persons involved.

7.13 Training and Associated Travel Compensation Guidelines

A. The employee and the management supervisor will meet at the time of approval by Grant PUD and will clarify in advance whether training and travel is required or optional, how the training and travel will be compensated and agree to potential work schedule changes. See the utility's worksheet to determine whether training and travel is required or optional.

B. Training outside of the utility.

- (1) When training and associated travel is required, Grant PUD will pay for utility-approved training and travel as follows:
 - a. The employee will be paid for regularly scheduled work hours and will be compensated for registration expenses, transportation and room and board as outlined in Grant PUD policy.
 - b. Any hours incurred over 40 regular hours in the workweek will be paid at the rate of one and one-half times (1.5 x) of the regular rate for overtime hours up to the amount of training time and associated travel time that workweek (rather than the double time of Section 7.2.1, Overtime Rate).
- (2) When training and associated travel is not required, and the utility approves training and travel because it's considered mutually beneficial:
 - a. The employee will be paid for regularly scheduled work hours, and will be compensated for registration expenses, transportation and room and board as outlined in Grant PUD policy.
 - b. No overtime will be incurred or paid for training time and associated travel.
- (3) Work schedules may be changed by mutual agreement to accommodate the training.

C. Training held within the utility.

- (1) When training and associated travel is required, the training will be considered the same as a work assignment. The applicable CBA provisions shall apply.
- (2) When training and associated travel is not required, and the utility approves the training and travel because it's considered mutually beneficial:

- a. The employee will be paid for regularly scheduled work hours and will be compensated for registration expenses and transportation as outlined in Grant PUD policy.
- b. No overtime will be incurred or paid.

(3) Work schedules may be changed by mutual agreement to accommodate the training.

7.14 (Open)

7.15 Hand Tools - Replacement

Grant PUD, on the recommendation of the Supervisor, shall replace unrecoverable, broken or worn out hand tools regularly used on the job. "Unrecoverable" shall be defined as hand tools lost in areas where retrieval is not possible or practical. This provision will include body belts.

ARTICLE 8

SPECIAL WORKING RULES

By Classification Groups

8.1.1 Line Construction and Maintenance

8.1.1.1 Line Crews

- A. With respect to work rules, the nature of the jobs shall dictate the resource and labor requirements, such that the work can be performed safely. This principle, and those of Section 1.1.5, shall apply and cover any cases of conflict.
- B. Line crews shall consist of a line Foreman, one (1) Journeyman lineman and at least one (1) other qualified employee who may be, but not limited to, other Journeyman, Apprentices, Equipment Operators, Groundman or Toolman.
 - (1) Overhead line crews, who work on or around energized conductor(s) and/or apparatus, are to have a minimum of three (3) Linemen, one (1) of whom shall be Foreman. The basic crew may be supplemented with additional personnel either on a temporary or permanent basis.
- C. Whenever crews are combined temporarily so that the combined crews total more than four (4) employees and involve more than one (1) Foreman, the senior Foreman shall then supervise. The other Foreman shall work as a crew member without reduction in pay.

8.1.1.2 Temporary Upgrade.

- A. A line crew Foreman may be required to supervise other Foremen and/or assume the duties of their supervisor. In these cases, ~~he/she~~ the employee will receive temporary upgrade to supervising Foreman for such time spent performing these duties.
- B. It is recognized that the number of crews may have to be temporarily reduced due to the lack of manpower during periods of leave. In such cases employees with the permanent rate of Foreman shall not be reduced in pay status and shall work as linemen.

8.1.1.3 It is recognized that Apprentices should be given as comprehensive work experience as possible. To this end, it is agreed that they may be used with Servicemen, with all regular crews and to fill temporary crew vacancies for work which they are qualified. An Apprentice in the last two periods may permanently replace one Lineman on a crew for work for which he-the Apprentice is qualified. Nothing in this clause shall restrict or modify the work provisions of the Apprenticeship Agreement.

8.1.1.4 Trouble Calls After Hours - Distribution System

- A. Two (2) employees shall be dispatched on trouble calls between dusk and dawn, and on weekends and holidays, except as otherwise described below.
- B. The initial investigation of unknown or questionable trouble within Grant PUD's service area or when the employee is advised to go to a specific location and report the trouble, may clearly be assigned to one (1) Journeyman at any hour of the day or night.
- C. Turn-ons and shut-offs at any hour are clearly the work of one (1) Journeyman, except for individual agreements to cover absence of Journeyman.

8.1.1.5 Climbing Allowance

Each Journeyman Lineman, Apprentice Lineman, Line Foreman, Journey Level Tree Trimmer, Apprentice Tree Trimmer, and Foreman Tree TrimmerForeman in the Line Department who have completed six (6) months of continuous employment as of December 31 each year will individually be granted a climbing allowance equal to the their current respective Journeyman Lineman-rate plus other wages as defined in Article 9 multiplied by two thousand eighty (2080) hours multiplied by one and one-half percent (1.5%) plus one and one-half percent multiplied by the employee's individual overtime related gross wages actually paid for the payroll year. This climbing allowance will be paid by the 15th of February, of the following year, as a separate payroll paid in the first payroll run of February. The utility will supply safety belts, replaceable gaffs and hook straps.

Employees who have completed two (2) years of continuous service and separate from employment in good standing shall receive a prorated climbing allowance based on the portion of the payroll year worked.

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The prorated amount shall be calculated based on the section above, except that instead of two thousand eighty (2,080) hours, it will be calculated based on the number of regular days worked by the employee during the payroll year. The prorated climbing allowance will be paid in the employee's final paycheck where practicable, and in all cases, no later than the next regularly scheduled payday following separation.

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For purposes of this section, separation in good standing means the employee has provided the employer with proper notice of resignation (at least two weeks' notice), has satisfactorily performed their duties through their final day of employment, and is not subject to active disciplinary action or an ongoing investigation into conduct that could result in discipline or termination. Employees who are terminated, resign while under investigation, or resign in lieu of disciplinary action shall not be considered to have separated in good standing and will not be eligible for a prorated climbing allowance.

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8.1.1.6 See LOA #52

8.1.1.7 When employees perform mutual aid work at other utilities, the regular overtime sections of this contract will be in effect, with the following exception: Employees who accept a mutual aid assignment while on shift shall begin accruing overtime immediately upon acceptance of the assignment. Employees who accept a mutual aid assignment while not on shift shall begin accruing overtime upon reporting to Grant PUD headquarters. Employees shall remain on overtime status, excluding meal and rest periods, until such time as they have returned to Grant

~~PUD. After the regularly scheduled workday ends, once the employees begin on overtime, they will remain on overtime, excluding meal and rest periods, until said employees have returned to Grant PUD.~~

8.1.2 Special Work Rules for Tree Trimmers:

- ~~A. Tree Crews shall consist of a Tree Foreman, and at least one other qualified employee who may be but not limited to other Tree Trimmer, Equipment Operators, Groundman or Toolman.~~
- ~~B. Whenever crews and combined temporarily the senior Foreman shall then supervise.~~
- ~~C. Journey Level Tree Trimmers, and Foreman Tree Trimmers shall be a part of their own overtime call out groups in the automated call out system. Blasting License/Crane Certification~~

~~Equipment Operator II/Toolman that is required to maintain a Blasting License or NCCCO or equivalent certified Operator Crane certification shall be paid at the Apprentice 6 rate [SS4]~~

8.1.3 In the Electrical Shop:

- A. When three (3) or more employees in the same classification, two (2) of whom are Journeymen, are assigned to work in the same crew without supervision, one (1) will be rated as Foreman.
- B. When four (4) or more employees in different work classifications, one (1) of whom is a Journeyman, are assigned to work in the same crew without supervision, one (1) will be rated as Foreman.
- C. A Foreman may be required to supervise other Foremen who remain in their supervisory status. In these cases, ~~he/she~~the employee will receive a temporary upgrade to Supervising Foreman for such time spent performing these duties.

8.1.4 (Open)

8.1.5 Hydro Operators

- A. Hydro operation classifications shall consist of Chief Powerplant Operator, Senior Powerplant Operator, Journeyman Powerplant Operator, and Apprentice Powerplant Operators engaged in the operation of a hydro operating station and its associated switchyard.
- B. Whenever overtime is involved to cover a shift, an operator of equal classification to the one replaced shall be used whenever such operator is available.
- C. The workweek of all hydro operators shall be adjusted so that said operators will have two (2) days off in sequence in seven (7) days, unless otherwise mutually agreed to by the Union and Grant PUD. In shift changes, operators shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
- D. The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
- E. Operators will work a Rotating Shift schedule and may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.

8.1.5.1 Hydro Operator Rotating 12-Hour Shift

See LOA #11.

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8.1.5.2 Rotating 8-Hour Shifts

- A. The workweek of all RSP (Rotating Shift Personnel) shall be adjusted so that employees will have two (2) consecutive days off in seven (7) days, unless otherwise mutually agreed to by the Union and the utility. In shift changes, RSP shall be scheduled for not less than the equivalent of forty (40) straight-time hours in any scheduled week.
- B. The first posting of revised routine shift schedules shall be made at least six (6) days prior to their effective date. If less than six (6) days, the first shift shall be at the overtime rate.
- C. When changing shifts, shift or relief workers shall normally be provided with more than fifteen (15) hours between the end of one shift and the start of a new shift. If such change occurs within fifteen (15) hours or less, unless otherwise agreed to, the worker shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade rate) for the first eight (8) hours worked. No loss of regular pay will result.
- D. Employees working a Rotating Shift schedule may exchange shifts through mutual agreement provided it does not inconvenience the operations of the utility or increase expenses.
- E. Relief Work – Rotating Shift
 - (1) With less than ten (10) hours of notice, a relief worker whose shift is changed shall receive straight-time plus penalty pay, the two combined equaling double time (twice the base or appropriate upgrade pay) for the first eight (8) hours worked.
 - (2) If a relief worker has been scheduled off on a holiday and then is rescheduled to work the holiday with less than six (6) days of notice, the worker shall receive straight-time plus penalty pay plus holiday pay, the three combined equaling triple time (three times the base or appropriate upgrade rate) for the first eight (8) hours worked.
 - (3) Shift workers who have had a minimum of eight (8) hours off duty shall not be required to take time off their regular shift as a result of working overtime or as a result of working on a holiday.

8.1.6 Hydro Plant Maintenance

- A. Hydro Maintenance crews shall consist of Foremen, Journeymen, Apprentices, and Hydro Maintenance Assistants engaged in the installation, repair, replacement and maintenance of powerplant structures, equipment and related property.
- B. When three (3) or more employees in any one work classification, two (2) of whom are Journeymen, are assigned to work in the same crew without supervision, one (1) will be upgraded to Foreman.
- C. When four (4) or more employees in different work classifications, one (1) of whom is a Journeyman, are assigned to work in the same crew without supervision, one (1) will be upgraded to Foreman.
- D. A crew Foreman may be required to supervise other Foremen when working on or in the powerhouse and other areas under his/her responsibility. In these cases, ~~he/she~~the employee will receive a temporary upgrade to power plant Foreman for such time spent performing these duties.
- E. The ratio of Hydro Maintenance Assistants to Journeymen, including Foremen, shall not exceed one (1) Hydro Maintenance Assistant to three (3) Journeymen/Foremen. Such ratios to be based on total project personnel.

- F. When Apprentices are included and/or assigned to Maintenance crews, there shall be no more than one (1) Apprentice to each Journeyman Mechanic or Electrician.
- G. If a Foreman is assigned to supervise more than ten employees, the Foreman will receive a temporary upgrade to the Power Plant Foreman rate during the time more than ten employees are assigned to ~~him/her~~ the Foreman.
- ~~H. PEC and Quincy Chute are designated as headquarters. The principles of work assignments under Article 7.4.2 will apply up to six (6) months at both locations.~~
- ~~H.~~ In lieu of a stipend for cavitation repairs, other wages in amounts defined in Article 9 of this Agreement shall be added to Journeyman Mechanic wages for each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.
- ~~J.~~ The Union agrees to allow the Grant PUD to temporarily or permanently assign headquarters to qualified Machinists (Journeyman Mechanics) without bid by mutual agreements between the utility, the Steward representing the new assignment, and the requested employees.
- ~~K.~~ All Wanapum locations are designated as the same headquarters.
- ~~L.~~ Employees who are asbestos certified will be compensated at 1.5 times of the regular rate for work involving asbestos removal (two hours minimum) and overtime will be compensated for 3 times the regular rate. This section does not apply to Facilities personnel.

8.1.6.1 Hydro Plant 10-Hour Shift

- A. Workday hours for four 10-hour day/night schedules will be ten (10) consecutive hours. Day shift will begin at 6:00 AM and end at 4:30 PM Night shift will begin at 4:00 PM and end at 2:15 AM with employees paid for 10 hours of regular shift. The lunch period will be one-half hour for lunch, or as agreed between the parties.
- B. The workweek schedule for employees working four 10-hour days shall be Monday through Thursday.
- C. All overtime hours worked outside the regular 10 hour, four-day schedule shall be at the premium rate (2X).
- D. Personal Leave and Jury Duty absences will be charged hour for hour, for absences during regularly scheduled hours.
- ~~E. Holiday pay will be eight (8) hours pay for all holidays. On holidays not worked, employees will:~~
 - ~~(1) Take two (2) hours of paid leave in addition to eight (8) hours of Holiday pay,~~
 - ~~(2) Take two (2) hours of unpaid time on the holiday (without loss of seniority or benefit accruals),~~
 - ~~or~~
 - ~~(3) Work eight (8) hour days during the holiday week.~~
- ~~F.~~ E. With mutual consent between the supervisor and the employee, the employee may work five (5) eight-hour (8) days due to training, Personal Leave, Jury Duty (employees working any shift other than day shift refer to Article 5.7.1), or other appropriate circumstances. In such case, the schedule change shall occur following scheduled days off.

~~G. When a holiday falls on a regularly scheduled day off:~~

- ~~(1) If Friday is the regularly scheduled day off, the Thursday preceding the holiday shall be observed.~~
- ~~(2) If Monday is the regularly scheduled day off, the Tuesday following the holiday shall be observed.~~

~~H.F.~~ Work on a holiday will result in eight (8) hours of holiday pay and premium pay (2X) for all hours worked on the holiday.

8.1.7 (Open)

8.1.8 (Open)

8.1.8.1 Senior System Operators 12-Hour Rotating Shift

The Employer and the Union have agreed to set up a twelve (12) hour rotating shift schedule for Senior System Operators at the Ephrata Headquarters, and relief work with eight (8) or twelve (12) hour days in accord with the posted Senior System Operator schedule.

A. 12-hour shifts shall be:

- 1. Days 0600 to 1800 hours
- 2. Nights 1800 to 0600 hours

B. The workweek for employees on the 12-hour shift begins at 22:01 PM Saturday and ends at 22:00 PM the following Saturday.

C. Present hourly wage rates for Senior System Operators will be converted to bi-weekly wage rates based on the present hourly rate times 2080 divided by 26. Pay days and pay periods remain the same.

D. When the normal workweek exceeds forty (40) hours, to comply with the federal Fair Labor Standards Act (FLSA), the remaining hours in the regular schedule shall be paid at one and one-half times (1 ½x) the regular hourly pay rate. That is, the time and one-half rate shall apply from the forty-first (41st) through the forty-eighth (48th) hour of a normal shift if scheduled and worked.

- (1) Note: It is understood that since straight-time pay for the 41st through 48th hours is included in the base (monthly) wage rate, the overtime factor will appear as an additional one-half times (½x) per hour, a total compensation of one and one-half times.

E. All hours worked outside the normal twelve (12) hour shift schedule shall be paid at the double-time (2x) rate. This applies to overtime in excess of twelve (12) hours in a workday or forty-eight (48) hours, if so scheduled, in a workweek.

F. Holidays:

- (1) Holiday premium (2x) will be paid for all hours worked on an actual Holiday. In addition, each Senior System Operator will receive eight (8) hours Holiday pay (1x), which is a continuation of the current practice.
- (2) Senior System Operators who are not needed for work and are released to observe the

Holiday shall be paid as follows:

- a. Employees may use four (4) hours paid leave, in addition to eight (8) hours Holiday pay; or
- b. Employees who have exhausted all accrued paid leave shall use eight (8) hours Holiday pay only. The remaining hours would be non-compensation hours.

- G. Personal Leave and Jury Duty absences shall be charged hour-for-hour when taken during regularly scheduled hours at the regular pay (1x). It is understood that such hours taken off work schedules otherwise 44 or 48 hours in length reduce or eliminate the payment of time and one-half to cover normal work hours in excess of forty (40). (Example: An employee on a 48-hour workweek who takes eight hours annual leave is paid straight-time for that week, not 40 hours plus eight hours at one and one-half times.)
- H. Employees scheduled on relief will work a relief week beginning at 22:01 on Saturday and end at 22:00 the following Saturday. The relief week will consist of four (4) eight-hour days scheduled from 0800 to 1600 hours. Relief week personnel will not be scheduled for less than an eight (8) hour day.
- I. Relief shift assignments shall provide coverage for any or all the seven (7) days within the relief week schedule. Whenever possible, relief days during the relief week will be scheduled as a block (that is, grouped together).
- J. During the thirty-two (32)-hour relief week, employees may be assigned to work one of the following schedules:
 - (1) Four (4) eight (8)-hour days;
 - (2) Two (2) twelve (12)-hour and one (1) eight (8)-hour days;
 - (3) Three (3) twelve (12)-hour days.
- K. All hours that exceed forty (40) hours shall be paid at the double-time (2x) rate. It is understood that if the scheduled hours between thirty-two (32) and forty (40) are worked, they are paid at the straight-time rate.

8.1.8.2 Station Operators

- A. After Hour Call-Outs. The following guidelines apply for after hour callouts of the Station Operator:
 - (1) Operations internal to the Substations such as the circuit switcher opening, breakers tripping or station fuses blowing, represent large area outages. When this occurs, it requires the callout of a Station Operator.
 - (2) Circuit switcher operations will still require the immediate notification to the designated supervisor. Callout on all other outages will remain at the discretion of the Senior Power System Operator.

8.1.9 (Open)

8.1.10 (Open)

8.1.11 Hydro Project Employees

See Article 9 reference to "Other Wages".

8.1.12 Regulatory Certification - Water/Wastewater Certification

In lieu of an annual stipend for employees who are required to obtain and maintain formal certification for the handling of wastewater and hazardous material, other wages in amounts defined in Article 9 of this Agreement shall be added to each straight-time hour worked. The other wages identified in Article 9 will be paid at double time for all overtime hours worked.

8.2 Temporary and On Call Employees

8.2.1 General Temporary Employees

The utility may hire temporary bargaining unit employees to provide additional support during peak workloads, training, and to cover for full-time, regular employees on leave.

Temporary bargaining unit employees:

- A. Shall be paid the job title rate plus one dollar (\$1) per hour. These rates are further understood to be in lieu of paid benefits, including any obligation to provide prior notice of termination.
- B. Shall be paid two times (2X) the rate assigned below for each hour of overtime worked. However, full-time, regular employees shall have first option to work any overtime for which qualified and available.
- C. Shall work only assignments of less than six (6) months duration. An employee who has worked at least one thousand (1,000) hours in such capacity may not be rehired for three (3) months.
- D. Shall not be used to replace full-time, regular employees nor shall regular employees be laid off while temporary employees perform work those regular employees are qualified to do.
- E. Are represented by Local 77 of the I.B.E.W. in all matters pertaining to wages, hours, and working conditions. The Union shall require payment of working dues after seven (7) days of employment.
- F. Other than for normal work rules, shall not be covered under any other provisions of this Agreement unless specifically identified and agreed to by the parties.

8.2.2 On-Call Employees

Grant PUD may hire on-call bargaining unit employees to provide additional support during peak workloads, training, and to cover for full-time, regular employees on leave.

On-call bargaining unit employees:

- A. The employees will be regarded as a temporary employee as defined in Section 8.2.1 above, except that such assignments may be for a longer period. This is, "on-call" indefinitely if the employee does not work full-time for six (6) consecutive months.
- B. Progression toward Step increases shall be based on the actual number of scheduled hours worked. That is, six (6) month progression Step would occur upon completion of 1,040 hours of regularly scheduled work.

- C. On-call employees shall pay union dues on a prorated basis on the number of scheduled hours worked in a month (up to a maximum of 173 hours).

8.2.3 Temporary Craft Employees

The employees will be regarded as a temporary employee as defined in Section 8.2.1 above, except wage rates are as follows:

- A. Temporary Construction Linemen will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Northwest NECA-IBEW Local 77 Collective Bargaining Agreement. Example: The construction rate, plus cash amount of benefits, equals the straight-time hourly rate.
- B. Temporary Hydro Mechanics will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Building Trades, Millwrights Local ~~4699~~1607, collective bargaining wage schedule.
- C. Temporary Hydro Electricians will be paid the hourly rate, plus payment in lieu of benefits expressed and in effect in the Building Trades, IBEW Local 191, collective bargaining wage schedule.
- D. Temporary Hydro Operators will be paid the hourly Grant County PUD rate, plus 12.5% payment in lieu of benefits.
- E. Temporary Power System Electricians will be paid at the hourly rate, plus payment in lieu of benefits expressed and in effect as per IBEW Local 191, collective bargaining wage schedule.

Upon request, the Union will provide duly recognized wage schedules/rates for the abovementioned job titles.

8.2.4 Continuous On-Call Flagger

A Continuous On-Call Flagger will be regarded as a temporary employee, except that such an assignment may be for a longer period [i.e., on-call indefinitely if the employee does not work fulltime for six (6) consecutive months].

- A. Continuous On-Call Flaggers shall not replace full-time, regular employees.
- B. Continuous On-Call Flaggers shall be scheduled to work 6 ~~am~~AM – 4:30~~AM~~PM
- C. Continuous On-Call Flaggers' time will start when they arrive at their headquarters and end when they return to headquarters.
- D. Minimum call to work shall be four (4) hours.
- E. The utility will provide all training and certification.
- F. The utility will provide all personal protective equipment to perform flagging duties.
- G. Flaggers will transport signs and flagging equipment to and from the job site.
- H. Continuous On-Call Flaggers will be provided a utility vehicle to and from the job site.
- I. Step II progression will occur upon completion of 1040 hours of regularly scheduled work.

- J. Continuous On-Call Flaggers' hourly rate is per Article 9 and they will receive an additional one dollar (\$1) per hour in lieu of fringe benefits
- K. Continuous On-Call Flaggers will pay working dues times the hourly rate times actual hours worked.
- L. Overtime shall be paid in accordance with Section 7.2.

8.3 Other Classification Categories

8.3.1 This Agreement recognizes the establishment of career ladders in certain Work Classifications. Progression from job to job will be as provided in the career ladders.

8.3.2 (Open)

8.3.3 Seasonal Employees

- A. Employees assigned as Fish Counters, Fish & Wildlife Specialists, Seasonal Lands and Recreation workers and aides, and Seasonal HMAs, shall be seasonal employees if they are expected to work more than six (6) months in a calendar year. They shall accrue all employee benefits during the period on pay status on a prorated basis with the exception that they will not be allowed to participate in the Grant PUD's Deferred Compensation program. Their wages shall be computed on the hourly rate, but they shall work only those days posted on the schedule unless notified otherwise. They will receive two (2) Floating Holidays if they work 8 months or less and ~~three (3)~~two (2) Floating Holidays ~~if they work more than 8 months in a calendar year per calendar year.~~
- B. Employees assigned as Fish Counters, Fish & Wildlife Specialists, Meter Readers, and HMAs, shall be temporary employees if they are expected to work six (6) months or less in a calendar year. In such cases, they shall be paid and receive benefits in accordance with Section 8.2.1. If they stay on longer than six (6) months due to unanticipated factors, the utility would continue the same pay amount without benefits. This would include moving an individual to other temporary work assignments. Total temporary work assignment not to exceed twelve (12) months of continuous employment.
- C. Grant PUD will consider the applications of temporary and seasonal Fish Counters, Fish & Wildlife Specialists, Meter Readers, and Seasonal HMAs, when filling full-time, regular vacancies which occur throughout the utility; however, such consideration shall not result in any preference or priority for such employees and such employees do not have bidding or seniority rights.

8.3.4 Student Helpers and Interns

- A. Student Helpers and Interns are employed as temporary employees. Student helpers may assist the regular work force in work it normally does and/or may perform work the regular force normally does not do. Recognizing that such students may be hired for either bargaining unit or non-unit work; the provisions below apply to those assigned bargaining-unit-type work.
- B. Students will not be used to replace full-time, regular employees.
- C. Students doing bargaining unit work are represented by Local 77 of the I.B.E.W. in all matters pertaining to wages, hours, and working conditions. The Union does not charge such students dues. Grant PUD will, however, provide such students with a Union Letter of Instruction at time of employment or re-

employment. The utility will follow contractual procedures in notifying the Union of such employment. Further, the utility will notify the appropriate Union Steward when a student is hired.

- D. When students are assigned to perform work in the Line Department, Electric Shop, or Warehouse areas, the Foremen in those areas will be notified of their presence and purpose.
- E. Students assigned to bargaining unit crews in the Line Department, Electric Shop, or Warehouse will be in addition to the regular crew makeup and will work under the direction of the crew Foreman. Assignment of student(s) to a line crew will be with permission of the line crew Foreman.
- F. Student Helpers/Interns are paid in accordance with Article 9 of the Collective Bargaining Agreement. The rates are understood to include "other pay" in accordance with Article 9 of the CBA and are further understood to be in lieu of all paid benefits, including any obligation to provide prior notice of termination.
- G. Other than for normal work rules, and wages as specified in Article 9, students shall not be covered under any other provisions of this Agreement unless specifically identified and agreed to by the parties.

8.3.5 Limited Assignments

- A. For work known to last more than six (6) months but less than two (2) years, the Utility may hire bargaining unit employees with the title of "Limited Assignments" under the following conditions:
 - (1) The assignment will be bid, and the position will be designated as a "Limited Assignment." The bid will include the estimated life of the assignment or be shown as "known to last less than two (2) years." The bid will also designate the reason for the assignment.
 - (2) A full-time, regular employee bidding and being awarded such an assignment will not be given the "Limited Assignment" designation; that designation will pass to the employee hired to "fill in behind" the full-time, regular employee.
 - (3) An employee with the "Limited Assignment" designation shall have all the benefits (as and when the Agreement provides them) provided to full-time, regular employees. This shall include the right to bid other assignments and to use acquired seniority after one year of continuous service. To lose the "Limited Assignment" designation, an employee must bid the position (same job title, other job titles and positions).
 - a. Deferred Compensation (401(a) and 457) will not be offered to Limited Assignment positions unless the employee has already been a full-time, regular employee in another position (benefit continuation). Employees that have not yet held a full-time, regular position with the utility will be offered this benefit once they are offered full-time, regular employment.
 - (4) Accrual of seniority under a "Limited Assignment" situation will not be applied in any way to bump an Apprentice out of his/her classification.
 - (5) At such time as a "Limited Assignment" ends, the employee with that designation at that time will have his/her service terminated. Grant PUD will notify the "Limited Assignment" employee two weeks prior to the termination date. At that point, a full-time, regular employee who has successfully bid the "Limited Assignment" work will be automatically transferred back to his/her prior headquarters and prior or equivalent work.

(6) Upon termination, a "Limited Assignment" employee is not entitled to any recall rights as provided in Section 6.3 of the Agreement. The terminated "Limited Assignment" employee may "bump" other "Limited Assignment" employees under the following conditions:

- a. Senior "Limited Assignment" may "bump" less senior "Limited Assignment" within the same job title.
- b. Individuals that "bump" may go beyond the two-year period to the extent of the displaced "Limited Assignment" time period.

B. If and when it appears to the utility that such assignments will exceed two (2) years, the assignment will promptly be re-bid as a full-time, regular assignment and necessary adjustments in personnel shall be made.

C. The utility will not bid the same job "back-to-back" as a temporary assignment (i.e., at the end of a "Limited Assignment" job, bid it again as a "Limited Assignment" job).

8.4

Retiree Medical Premium Program

Grant PUD will provide reimbursement for retiree medical premiums as follows:

A. To be eligible for reimbursement, the employee must meet the following criteria:

1. Be age 55 with a minimum of 20 years of service with the utility
2. Be age 60 with a minimum of 15 years of service with the utility
3. Be any age with a minimum of 30 years of service with the utility

B. Only full-time, regular employees will be eligible for the program, and only full-time, regular service will count. Temporary and part-time employees will not be eligible.

C. For employees retiring on or after 6/1/2008, the coverage period will be 5 ½ years (five and one-half years) between age 59 ½ and age 65.

D. Employee will be eligible to receive three (3) percent of the premium cost for retiree medical insurance for every year of service with the utility, but no more than the utility's share of the 'active employee' medical premium.

E. The calculated premium percentage is based on the UIP medical insurance rate of an active employee (and spouse if eligible).

F. See HR Policy # HR-BEP-POL-420 for additional details on administration of the plan.

ARTICLE 9
COMPENSATION

9.1 Wage Scale

Term – Three (3) years 4/01/~~2023-2026~~ through 3/31/~~2026~~2029
Wages are as designated in Article 9.

Year 1

April 1, ~~2023~~2026 Eight percent (8%) Wage increase for all bargaining unit members ~~General Wage Increase (GWI) for all bargaining unit members~~ unless specifically agreed to otherwise. This increase consisting of four percent (4%) General Wage Increase and a four (4%) market adjustment.

In addition, the following titles shall receive an additional three (3%) market adjustment:

Groundmen; Hydro Maintenance Assistants; Customer Account Representatives; Student Helper; and Student Intern.

In addition, the following titles shall receive an additional four (4%) market adjustment:

Equipment Operator I and Engineering Technicians

In addition, the following titles shall receive an additional five (5%) market adjustment:

Material Specialist

The following bargaining unit leadership positions shall receive the following increase as shown below and as reflected on the wage table:

<u>Position Title</u>	<u>2025</u>	<u>New Percentage</u>
<u>Supervising Foreman - All</u>	<u>120%</u>	<u>123%</u>
<u>Power Plant Operator Chief</u>	<u>120%</u>	<u>123%</u>
<u>Sr. I&C Technician</u>	<u>120%</u>	<u>123%</u>
<u>Electronic Foremen</u>	<u>120%</u>	<u>123%</u>
<u>Technician Foreman (Advanced Meter Relay)</u>	<u>120%</u>	<u>123%</u>

Other Wages¹ Employees shall receive a one-time, twenty-five cents (\$0.25) increase to "Other Wages" as shown on the wage table.

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The above wage and "Other Wage" increases shall be retroactive to April 1, 2026, in alignment with section 6.4.5, provided this agreement is ratified by the Union no later than June 1, 2026.

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Year 2

April 1, 20242027 Four percent (4%) General Wage Increase for all bargaining unit employees unless specifically agreed to otherwise. ~~Three percent (3%) General Wage Increase (GWI) for all non-apprenticed bargaining unit members unless specifically agreed to otherwise. Five and a quarter percent (5.25%) for apprenticeable craft.~~

Year 3

April 1, 20252028 Four percent (4%) General Wage Increase for all bargaining unit employees unless specifically agreed to otherwise. ~~Three percent (3%) General Wage Increase for all non-apprenticed bargaining unit members unless specifically agreed to otherwise. Five and a quarter percent (5.25%) for apprenticeable craft.~~

9.2 Grant PUD shall ensure that no employee covered under this Agreement shall receive a rate of pay less than the applicable minimum wage as established under the laws and regulations of the State of Washington and relevant local regulations applicable to Grant PUD. In the event that an employee's wage rate is, for any reason, reduced to a level below the lawful minimum wage, the employer shall immediately adjust the employee's wage to an amount not less than the applicable statutory minimum. The adjustment shall take effect at the beginning of the pay period in which the new wage became effective. Related overtime will be based on the adjusted rate of pay.

Hourly Wage Rates

Dated April 1, 2026

LINE DEPARTMENT		Beginnin	Beginnin	Beginnin	Other Wages ¹	
		g	g	g		
		4/1/2026	4/1/2027	4/1/2028		
		Dollars	Dollars	Dollars		
		% of Lineman Journey Rate				
#*Foreman, Supervising	123%	84.75	88.14	91.67	1.10	
Foreman, Line Crew	112.50%	77.51	80.62	83.85	1.10	
Line Patrolman	112.50%	77.51	80.62	83.85	1.10	
**Line Inspector II	112.50%	77.51	80.62	83.85	1.10	
**Line Inspector I	100%	68.90	71.66	74.53	1.10	
Serviceman	106%	73.03	75.96	79.00	1.10	
Lineman - Journey Level Rate		100%	68.90	71.66	74.53	1.10
#Lineman Trainee	74%	50.99	53.03	55.15	0.75	
#Lineman Apprentice						
	Step 7	91%	62.70	65.21	67.82	0.90
	Step 6	88%	60.63	63.06	65.59	0.90
	Step 5	86%	59.25	61.63	64.10	0.90
	Step 4	83%	57.19	59.48	61.86	0.90
	Step 3	80%	55.12	57.33	59.62	0.90
	Step 2	77%	53.05	55.18	57.39	0.90

<u>Step 1</u>	<u>74%</u>	<u>50.99</u>	<u>53.03</u>	<u>55.15</u>	<u>0.90</u>
<u>Equipment Operator II</u>	<u>88%</u>	<u>60.63</u>	<u>63.06</u>	<u>65.59</u>	<u>0.75</u>
<u>Equipment Operator I</u>		<u>51.35</u>	<u>53.40</u>	<u>55.54</u>	<u>0.75</u>
<u>Toolman - Power Delivery</u>	<u>91%</u>	<u>62.70</u>	<u>65.21</u>	<u>67.82</u>	<u>0.75</u>

% of Tree Trimmer Journey Rate

<u>Foreman Tree Trimmer</u>	<u>112.5%</u>	<u>63.18</u>	<u>65.71</u>	<u>68.34</u>	<u>0.75</u>
<u>Tree Trimmer - Journey Level Rate</u>	<u>100%</u>	<u>56.16</u>	<u>58.41</u>	<u>60.75</u>	<u>0.75</u>
<u>#Tree Trimmer Apprentice</u>					
<u>Step 7</u>	<u>91%</u>	<u>51.11</u>	<u>53.15</u>	<u>55.28</u>	<u>0.75</u>
<u>Step 6</u>	<u>88%</u>	<u>49.42</u>	<u>51.40</u>	<u>53.46</u>	<u>0.75</u>
<u>Step 5</u>	<u>86%</u>	<u>48.30</u>	<u>50.23</u>	<u>52.25</u>	<u>0.75</u>
<u>Step 4</u>	<u>83%</u>	<u>46.61</u>	<u>48.48</u>	<u>50.42</u>	<u>0.75</u>
<u>Step 3</u>	<u>80%</u>	<u>44.93</u>	<u>46.73</u>	<u>48.60</u>	<u>0.75</u>
<u>Step 2</u>	<u>77%</u>	<u>43.24</u>	<u>44.98</u>	<u>46.78</u>	<u>0.75</u>
<u>Step 1</u>	<u>74%</u>	<u>41.56</u>	<u>43.22</u>	<u>44.96</u>	<u>0.75</u>
<u>Head Groundman #</u>		<u>46.31</u>	<u>48.16</u>	<u>50.09</u>	<u>0.75</u>
<u>*Groundman</u>					
<u>Thereafter</u>		<u>40.08</u>	<u>41.68</u>	<u>43.35</u>	<u>0.75</u>
<u>3rd 6 months</u>		<u>36.75</u>	<u>38.22</u>	<u>39.75</u>	<u>0.75</u>
<u>2nd 6 months</u>		<u>33.39</u>	<u>34.73</u>	<u>36.12</u>	<u>0.75</u>
<u>1st 6 months</u>		<u>30.61</u>	<u>31.83</u>	<u>33.10</u>	<u>0.75</u>

<u>Flagger</u>					
<u>~Thereafter</u>		<u>29.08</u>	<u>30.24</u>	<u>31.45</u>	<u>0.35</u>
<u>~1st 6 months</u>		<u>26.49</u>	<u>27.55</u>	<u>28.65</u>	<u>0.35</u>

ELECTRICAL SHOP

% of PSE Journey Rate

<u>Foreman, Substation</u>	<u>112.5%</u>	<u>77.51</u>	<u>80.62</u>	<u>83.85</u>	<u>0.65</u>
<u>Station Operator</u>	<u>100.0%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>
<u>#*Foreman, Supervising Electric Shop</u>	<u>123%</u>	<u>84.75</u>	<u>88.14</u>	<u>91.67</u>	<u>0.65</u>
<u>**Electric Shop Inspector II</u>	<u>112.5%</u>	<u>77.51</u>	<u>80.62</u>	<u>83.85</u>	<u>0.65</u>
<u>**Electric Shop Inspector I</u>	<u>100.0%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>
<u>Foreman, Power System Electrician</u>	<u>112.5%</u>	<u>77.51</u>	<u>80.62</u>	<u>83.85</u>	<u>0.65</u>
<u>Power System Electrician</u>	<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>
<u>#Power System Electrician Trainee</u>	<u>74%</u>	<u>50.99</u>	<u>53.03</u>	<u>55.15</u>	<u>0.65</u>
<u>#Power System Electrician Apprentice</u>					
<u>Step 7</u>	<u>91%</u>	<u>62.70</u>	<u>65.21</u>	<u>67.82</u>	<u>0.90</u>
<u>Step 6</u>	<u>88%</u>	<u>60.63</u>	<u>63.06</u>	<u>65.59</u>	<u>0.90</u>
<u>Step 5</u>	<u>86%</u>	<u>59.25</u>	<u>61.63</u>	<u>64.10</u>	<u>0.90</u>
<u>Step 4</u>	<u>83%</u>	<u>57.19</u>	<u>59.48</u>	<u>61.86</u>	<u>0.90</u>
<u>Step 3</u>	<u>80%</u>	<u>55.12</u>	<u>57.33</u>	<u>59.62</u>	<u>0.90</u>
<u>Step 2</u>	<u>77%</u>	<u>53.05</u>	<u>55.18</u>	<u>57.39</u>	<u>0.90</u>
<u>Step 1</u>	<u>74%</u>	<u>50.99</u>	<u>53.03</u>	<u>55.15</u>	<u>0.90</u>

% of Advanced Meter Relay Tech 1

<u>Foreman, Technician</u>	<u>123%</u>	<u>84.75</u>	<u>88.14</u>	<u>91.67</u>	<u>0.65</u>
<u>Advanced Meter Relay Technician IV (CL)</u>	<u>115%</u>	<u>79.24</u>	<u>82.41</u>	<u>85.71</u>	<u>0.65</u>

<u>Advanced Meter Relay Technician III</u>	<u>110%</u>	<u>75.79</u>	<u>78.83</u>	<u>81.98</u>	<u>0.65</u>
<u>Advanced Meter Relay Technician II</u>	<u>105%</u>	<u>72.35</u>	<u>75.24</u>	<u>78.26</u>	<u>0.65</u>
<u>Advanced Meter Relay Technician I</u>					
<u>(Journey Level Rate)</u>	<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>

% of Meterman Journey Rate

<u>Foreman Meterman</u>	<u>112.5%</u>	<u>77.51</u>	<u>80.62</u>	<u>83.85</u>	<u>0.65</u>
<u>Meterman - Journey Level Rate</u>	<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>
<u>PSE Journeyman in Meter Training</u>	<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>
<u>#Meterman in Training</u>	<u>74%</u>	<u>50.99</u>	<u>53.03</u>	<u>55.15</u>	<u>0.65</u>
<u>#Meterman Apprentice</u>					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	53%	36.52	37.98	39.50	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

<u>*Groundman</u>					
Thereafter #		40.08	41.68	43.35	0.65
3rd 6 months		36.75	38.22	39.75	0.65
2nd 6 months		33.39	34.73	36.12	0.65
1st 6 months		30.61	31.83	33.10	0.65

TELECOMMUNICATIONS TECHNICIANS

% of Electronic Tech 1

<u>Electronic - Foreman</u>	<u>123%</u>	<u>84.75</u>	<u>88.14</u>	<u>91.67</u>	<u>0.65</u>
<u>Electronic Technician IV (CL)</u>	<u>115%</u>	<u>79.24</u>	<u>82.41</u>	<u>85.71</u>	<u>0.65</u>
<u>Electronic Technician III</u>	<u>110%</u>	<u>75.79</u>	<u>78.83</u>	<u>81.98</u>	<u>0.65</u>
<u>Electronic Technician II</u>	<u>105%</u>	<u>72.35</u>	<u>75.24</u>	<u>78.26</u>	<u>0.65</u>
<u>Electronic Technician I</u>	<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.65</u>

% of Fiber Network Tech

<u>#*Fiber Network Technician Supervising Foreman</u>	<u>123%</u>	<u>72.89</u>	<u>75.80</u>	<u>78.84</u>	<u>0.50</u>
<u>Fiber Network Technician Foreman</u>	<u>112.50%</u>	<u>66.67</u>	<u>69.33</u>	<u>72.11</u>	<u>0.50</u>
<u>Fiber Network Technician</u>	<u>100%</u>	<u>59.26</u>	<u>61.63</u>	<u>64.10</u>	<u>0.50</u>

<u>**Fiber Network Inspector II</u>	<u>112.50%</u>	<u>66.67</u>	<u>69.33</u>	<u>72.11</u>	<u>0.50</u>
<u>**Fiber Network Inspector I</u>	<u>100%</u>	<u>59.26</u>	<u>61.63</u>	<u>64.10</u>	<u>0.50</u>

<u>Fiber Technician Apprentice 4</u>	<u>92.5%</u>	<u>54.82</u>	<u>57.01</u>	<u>59.29</u>	<u>0.50</u>
<u>Fiber Technician Apprentice 3</u>	<u>87.5%</u>	<u>51.85</u>	<u>53.93</u>	<u>56.09</u>	<u>0.50</u>
<u>Fiber Technician Apprentice 2</u>	<u>82.5%</u>	<u>48.89</u>	<u>50.84</u>	<u>52.88</u>	<u>0.50</u>
<u>Fiber Technician Apprentice 1</u>	<u>77.5%</u>	<u>45.93</u>	<u>47.76</u>	<u>49.68</u>	<u>0.50</u>
<u>Fiber Technician Trainee</u>	<u>75%</u>	<u>44.45</u>	<u>46.22</u>	<u>48.08</u>	<u>0.50</u>

DISPATCHING

<u>Power:</u>					
<u>#Senior System Operator</u>		<u>97.84</u>	<u>101.75</u>	<u>105.82</u>	<u>0.45</u>
<u>#System Operator Trainee IV</u>		<u>82.59</u>	<u>85.89</u>	<u>89.33</u>	<u>0.45</u>

#System Operator Trainee III	77.44	80.54	83.76	0.45
#System Operator Trainee II	75.86	78.89	82.05	0.45
#System Operator Trainee I	68.90	71.66	74.53	0.45

POWER PLANT OPERATIONS

	% of Power Plant Operator				
#*Power Plant Operator, Chief	123%	84.75	88.14	91.67	0.90
Operations Coordinator	120%	82.68	85.99	89.44	0.90
Power Plant Operator, Senior	112.5%	77.51	80.62	83.85	0.90
Power Plant Operator	100%	68.90	71.66	74.53	0.90
#Power Plant Operator Trainee	74%	50.99	53.03	55.15	0.90
#Power Plant Operator Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

POWER PLANT MAINTENANCE

	% of Hydro Mechanic Journey Rate				
#*Supervising Power Plant Foreman	123.0%	84.75	88.14	91.67	1.10
Foreman, Power Plant Mechanic	115.0%	79.24	82.41	85.71	1.10
Foreman, Hydro Mechanic	112.5%	77.51	80.62	83.85	1.10
Mechanic, Hydro	100.0%	68.90	71.66	74.53	1.10
#Mechanic Trainee	74%	50.99	53.03	55.15	0.90
#Mechanic, Hydro Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90
Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90
#Hydro Planner-Mechanical (CL)					
Thereafter	115%	79.24	82.41	85.71	0.85
2nd 12 months	110%	75.79	78.83	81.98	0.85
1st 12 months	107%	73.72	76.68	79.75	0.85

	% of Electrician Journey Rate				
Foreman, Power Plant Electrician	115%	79.24	82.41	85.71	1.10
Foreman, Electrician	112.50%	77.51	80.62	83.85	1.10
Electrician	100%	68.90	71.66	74.53	1.10
#Electrician Trainee	74%	50.99	53.03	55.15	0.90
#Electrician Hydro Apprentice					
Step 7	91%	62.70	65.21	67.82	0.90
Step 6	88%	60.63	63.06	65.59	0.90
Step 5	86%	59.25	61.63	64.10	0.90

Step 4	83%	57.19	59.48	61.86	0.90
Step 3	80%	55.12	57.33	59.62	0.90
Step 2	77%	53.05	55.18	57.39	0.90
Step 1	74%	50.99	53.03	55.15	0.90

#Hydro Planner-Electrical (CL)

Thereafter	115%	79.24	82.41	85.71	0.85
2nd 12 months	110%	75.79	78.83	81.98	0.85
1st 12 months	107%	73.72	76.68	79.75	0.85

Toolman		50.06	52.06	54.14	0.90

*Hydro Maintenance Assistant

Thereafter	#	40.34	41.95	43.63	0.90
3rd 6 months		34.21	35.58	37.00	0.90
2nd 6 months		27.94	29.06	30.22	0.90
1st 6 months		21.79	22.66	23.57	0.90

% of I&C Tech I					
Instrument & Control Technician (CL)					
I&C Tech. Sr.	123%	84.75	88.14	91.67	0.95
I&C Tech IV	115%	79.24	82.41	85.71	0.95
I&C Tech III	110%	75.79	78.83	81.98	0.95
I&C Tech II	105%	72.35	75.24	78.26	0.95
I&C Tech I	100%	68.90	71.66	74.53	0.95

ENVIRONMENTAL AFFAIRS

#*Fish & Wildlife Specialist Foreman	115%	50.50	52.52	54.63	0.90

% of Fish and Wildlife Specialist Step 4					
##Fish & Wildlife Specialist -					
Step 4	100%	43.91	45.67	47.50	0.90
*Step 3	95%	41.71	43.39	45.13	0.90
*Step 2	90%	39.52	41.10	42.75	0.90
*Step 1	80%	35.13	36.54	38.00	0.90

Fish Counters					
Thereafter		28.75	29.90	31.10	0.65
1st Season		25.69	26.72	27.79	0.65

LRM Foreman	115%	50.50	52.52	54.63	0.80

% of LRM Worker Step 3					
*LRM Worker					
Step 3	100%	43.91	45.67	47.50	0.80
Step 2	95%	41.71	43.39	45.13	0.80
Step 1	90%	39.52	41.10	42.75	0.80
Entry level	80%	35.13	36.54	38.00	0.80

*LRM Aide					
Thereafter		25.82	26.85	27.92	0.35
2nd 6 mo		21.70	22.57	23.47	0.35
1st 6 mo		20.24	21.05	21.89	0.35

		% of Hazardous Waste Technician I				
#*Hazardous Waste Technician II			<u>TBD</u>	<u>TBD</u>	<u>-</u>	<u>0.90</u>
#* Hazardous Waste Technician I		<u>100%</u>	<u>62.80</u>	<u>65.31</u>	<u>67.92</u>	<u>0.90</u>
% of Planner I		% of Planner I				
#Environmental Affairs Planner (CL)			-	-	-	-
Planner II		<u>103%</u>	<u>64.68</u>	<u>67.27</u>	<u>69.96</u>	<u>0.90</u>
Planner I		<u>100%</u>	<u>62.80</u>	<u>65.31</u>	<u>67.92</u>	<u>0.90</u>
FACILITIES		% of Facilities Electrician, Journeyman				
#*Facilities Electrician, Supervising Foreman		<u>123%</u>	<u>84.75</u>	<u>88.14</u>	<u>91.67</u>	<u>0.80</u>
Facilities Electrician, Foreman		<u>112.5%</u>	<u>77.51</u>	<u>80.62</u>	<u>83.85</u>	<u>0.80</u>
Facilities Electrician, Journeyman		<u>100%</u>	<u>68.90</u>	<u>71.66</u>	<u>74.53</u>	<u>0.80</u>
		% of Building Maintenance Worker				
#*Supervising Foreman, Facilities Mechanical		<u>123%</u>	<u>59.77</u>	<u>62.15</u>	<u>64.64</u>	<u>0.80</u>
Foreman, Facilities Mechanical		<u>112.50%</u>	<u>54.66</u>	<u>56.85</u>	<u>59.12</u>	<u>0.80</u>
Building Maintenance Worker		<u>100%</u>	<u>48.59</u>	<u>50.53</u>	<u>52.55</u>	<u>0.80</u>
*Facilities Serviceman						
Thereafter			<u>36.05</u>	<u>37.49</u>	<u>38.99</u>	<u>0.80</u>
2nd 6 months			<u>31.73</u>	<u>33.00</u>	<u>34.32</u>	<u>0.80</u>
1st 6 months			<u>29.08</u>	<u>30.24</u>	<u>31.45</u>	<u>0.80</u>
*Facilities Custodian						
Thereafter			<u>25.82</u>	<u>26.85</u>	<u>27.92</u>	<u>0.35</u>
2nd 6 months			<u>22.69</u>	<u>23.60</u>	<u>24.54</u>	<u>0.35</u>
1st 6 months			<u>19.59</u>	<u>20.37</u>	<u>21.18</u>	<u>0.35</u>
OTHER						
Service Expeditor			<u>65.96</u>	<u>68.60</u>	<u>71.34</u>	<u>0.50</u>
Courier			<u>26.45</u>	<u>27.51</u>	<u>28.61</u>	<u>0.35</u>
FLEET SERVICES (CL)		% of Fleet Services Journeyman Technician				
Fleet Services Shop Foreman		<u>115%</u>	<u>71.31</u>	<u>74.16</u>	<u>77.14</u>	<u>0.50</u>
Fleet Services Shift Foreman		<u>112.50%</u>	<u>69.76</u>	<u>72.55</u>	<u>75.47</u>	<u>0.50</u>
Fleet Services Journeyman Technician		<u>100%</u>	<u>62.01</u>	<u>64.49</u>	<u>67.08</u>	<u>0.50</u>
Fleet Utility Parts Specialist II		<u>83%</u>	<u>51.47</u>	<u>53.53</u>	<u>55.68</u>	<u>0.50</u>
Fleet Utility Parts Specialist I		<u>80%</u>	<u>49.61</u>	<u>51.59</u>	<u>53.66</u>	<u>0.50</u>
Fleet Services Trainee		<u>74.07%</u>	<u>45.93</u>	<u>47.77</u>	<u>49.69</u>	<u>0.50</u>
#Fleet Services Apprentices						
Step 6		<u>88.48%</u>	<u>54.87</u>	<u>57.06</u>	<u>59.35</u>	<u>0.50</u>
Step 5		<u>85.63%</u>	<u>53.10</u>	<u>55.22</u>	<u>57.44</u>	<u>0.50</u>
Step 4		<u>82.79%</u>	<u>51.34</u>	<u>53.39</u>	<u>55.54</u>	<u>0.50</u>
Step 3		<u>79.87%</u>	<u>49.53</u>	<u>51.51</u>	<u>53.58</u>	<u>0.50</u>
Step 2		<u>76.95%</u>	<u>47.72</u>	<u>49.63</u>	<u>51.62</u>	<u>0.50</u>
Step 1		<u>74.07%</u>	<u>45.93</u>	<u>47.77</u>	<u>49.69</u>	<u>0.50</u>

CUSTOMER SERVICE

## Customer Account Representative (CL)	<u>43.98</u>	<u>45.74</u>	<u>47.57</u>	<u>0.50</u>
*Customer Service Representative (CL)				
#*Customer Support Specialist	<u>41.58</u>	<u>43.24</u>	<u>44.97</u>	<u>0.50</u>
**CSR IV	<u>38.15</u>	<u>39.68</u>	<u>41.27</u>	<u>0.50</u>
**CSR III	<u>35.06</u>	<u>36.46</u>	<u>37.92</u>	<u>0.50</u>
**CSR II	<u>32.13</u>	<u>33.42</u>	<u>34.76</u>	<u>0.50</u>
**CSR I	<u>26.98</u>	<u>28.06</u>	<u>29.18</u>	<u>0.50</u>

ENGINEERING TECHNICIAN-POWER PRODUCTION (CL)

	% of Engineering Technician V			
#* PP Sr. Engineering Technician	<u>106%</u>	<u>59.94</u>	<u>62.34</u>	<u>64.83</u>
PP Engineering Technician V	<u>100%</u>	<u>56.55</u>	<u>58.81</u>	<u>61.16</u>
PP Engineering Technician IV		<u>50.78</u>	<u>52.81</u>	<u>54.92</u>
PP Engineering Technician III		<u>47.61</u>	<u>49.51</u>	<u>51.49</u>
PP Engineering Technician II		<u>44.77</u>	<u>46.56</u>	<u>48.42</u>
PP Engineering Technician I				
2nd 6 Months		<u>43.25</u>	<u>44.98</u>	<u>46.78</u>
1st 6 Months		<u>41.13</u>	<u>42.78</u>	<u>44.49</u>
*PP Engineering Technician Trainee				
2nd 6 Months		<u>35.36</u>	<u>36.77</u>	<u>38.24</u>
1st 6 Months		<u>34.03</u>	<u>35.39</u>	<u>36.81</u>

ENGINEERING TECHNICIAN-POWER DELIVERY (CL)

	% of Engineering Technician V			
#*PD Sr. Engineering Technician	<u>106%</u>	<u>59.94</u>	<u>62.34</u>	<u>64.83</u>
PD Engineering Technician V	<u>100%</u>	<u>56.55</u>	<u>58.81</u>	<u>61.16</u>
PD Engineering Technician IV		<u>50.78</u>	<u>52.81</u>	<u>54.92</u>
PD Engineering Technician III		<u>47.61</u>	<u>49.51</u>	<u>51.49</u>
PD Engineering Technician II		<u>44.77</u>	<u>46.56</u>	<u>48.42</u>
PD Engineering Technician I				
2nd 6 Months		<u>43.25</u>	<u>44.98</u>	<u>46.78</u>
1st 6 Months		<u>41.13</u>	<u>42.78</u>	<u>44.49</u>
*PD Engineering Technician Trainee				
2nd 6 Months		<u>35.36</u>	<u>36.77</u>	<u>38.24</u>
1st 6 Months		<u>34.03</u>	<u>35.39</u>	<u>36.81</u>

ENGINEERING TECHNICIAN-CUSTOMER SVC (CL)

	% of Engineering Technician V			
#*CS Sr. Engineering Technician	<u>113.6%</u>	<u>64.24</u>	<u>66.81</u>	<u>69.48</u>
CS Engineering Technician V	<u>100%</u>	<u>56.55</u>	<u>58.81</u>	<u>61.16</u>
CS Engineering Technician IV		<u>50.78</u>	<u>52.81</u>	<u>54.92</u>
CS Engineering Technician III		<u>47.61</u>	<u>49.51</u>	<u>51.49</u>
CS Engineering Technician II		<u>44.77</u>	<u>46.56</u>	<u>48.42</u>
CS Engineering Technician I				
2nd 6 Months		<u>43.25</u>	<u>44.98</u>	<u>46.78</u>
1st 6 Months		<u>41.13</u>	<u>42.78</u>	<u>44.49</u>
*Engineering Technician Trainee				
2nd 6 Months		<u>35.36</u>	<u>36.77</u>	<u>38.24</u>
1st 6 Months		<u>34.03</u>	<u>35.39</u>	<u>36.81</u>

WAREHOUSE (CL)

% of Materials Specialist Thereafter	-	-

**Materials Specialist, Supervising					
Foreman	123%	56.31	58.56	60.90	0.75
Materials Specialist Foreman	113%	51.73	53.80	55.95	0.75
**Materials Specialist					
Thereafter	100%	45.78	47.61	49.51	0.75
4th 6 months		41.69	43.36	45.09	0.75
3rd 6 months		38.92	40.48	42.10	0.75
2nd 6 months		36.13	37.58	39.08	0.75
1st 6 months #		33.32	34.65	36.04	0.75

ENTERPRISE TECHNOLOGY					
% of ETS Service Desk Specialist II					
Step 4					
#*ET Sr. Service Desk Specialist	106%	49.17	51.15	53.19	0.25
Enterprise Technology Service Desk Specialist II					
Step 4	100%	46.39	48.25	50.18	0.25
Step 3		44.96	46.76	48.63	0.25
Step 2		43.59	45.33	47.14	0.25
Step 1		42.22	43.91	45.67	0.25
Enterprise Technology Service Desk Specialist I					
Step 4		38.30	39.83	41.42	0.25
Step 3		35.88	37.32	38.81	0.25
Step 2		33.98	35.34	36.75	0.25
Step 1		32.04	33.32	34.65	0.25

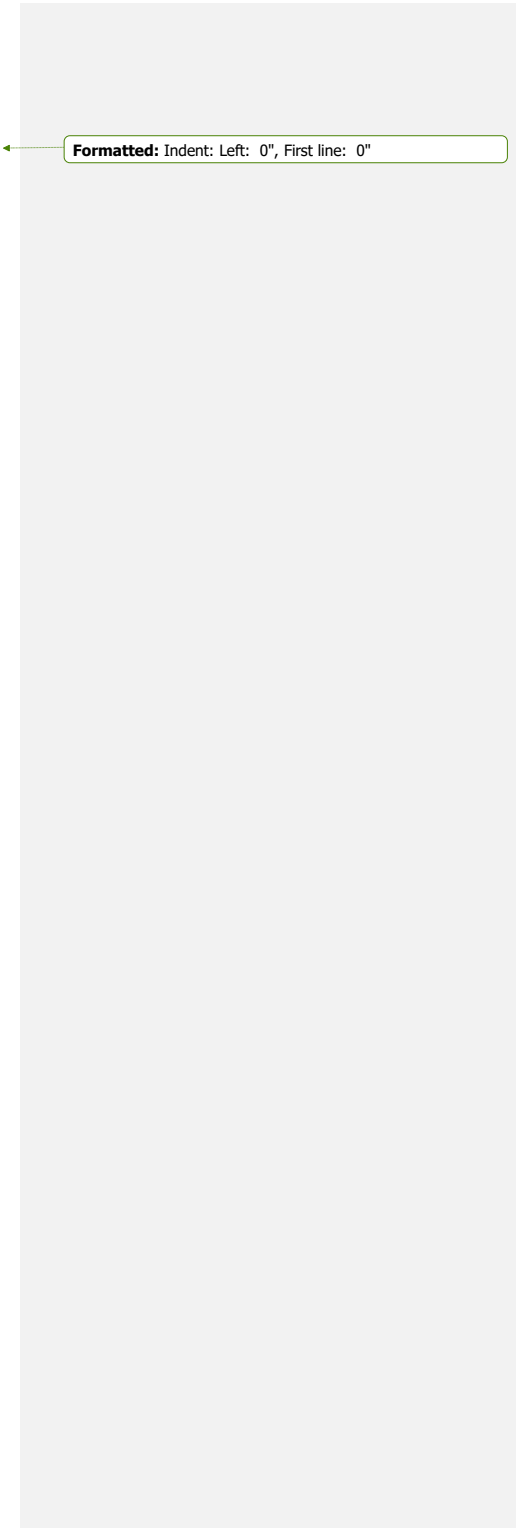
SPECIAL					
*Student Helper					
~ Level 2		20.43	21.25	22.10	0.35
~ Level 1		18.58	19.32	20.09	0.35
*Student Intern					
~ Level 2		26.59	27.65	28.76	0.35
~ Level 1		23.81	24.76	25.75	0.35

Unused Titles
Service Expeditor

Other Wages1:
These wages are averaged compensation for meals (Sec. 7.3.2), stipends. (Sec. 8.1.6(i)), premium pay (Sec. 8.1.11) and certifications (Sec. 8.1.12). This amount is added to the hourly wage for each straight time hour worked and will be added at double time for all overtime hours worked, and will be used as base wage to calculate all compensation and benefits.

* Entry Level Position
** Exempt from the bidding procedure where filled on a temporary basis for less than six (6) months
Right of selection
Bid position following automatic progression
#* Right of selection only from bargaining unit employees who bid the position/job
! ~ 90% of Journey Lineman
~ Benefit exempt
CL-Career Ladder

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Hourly Wage Rates

Dated April 1, 2023

Where wage rates provide in-line progression, it is understood that such progression is based upon satisfactory performance. Advancement in progression shall be done in accordance with Letter of Agreement #46 – Bid Eligibility.

		Beginning 4/1/2023	Beginning 4/1/2024	Beginning 4/1/2025	Other Wages [†]
		Dollars	Dollars	Dollars	
<u>LINE DEPARTMENT</u>					
#*Foreman, Supervising		69.12	72.74	76.56	0.85
Foreman, Line Crew		64.80	68.20	71.78	0.85
Line Patrolman		64.80	68.20	71.78	0.85
Serviceman		61.06	64.26	67.63	0.85
Lineman		57.60	60.62	63.80	0.85
Equipment Operator II		45.26	46.62	48.02	0.50
Equipment Operator I		43.10	44.39	45.72	0.50
Toolman		43.69	45.00	46.35	0.50
Head Groundman		39.24	40.42	41.63	0.50
#Lineman Trainee		42.66	44.90	47.26	0.50
*Groundman					
	Thereafter	33.23	34.23	35.26	0.50
	3rd 6 months	30.48	31.39	32.33	0.50
	2nd 6 months	27.69	28.52	29.38	0.50
	1st 6 months	25.39	26.15	26.93	0.50
Flagger					
	~Thereafter	25.39	26.15	26.93	0.10
	~1st 6 months	23.13	23.82	24.53	0.10
**Line Inspector II		64.80	68.20	71.78	0.85
**Line Inspector I		57.60	60.62	63.80	0.85
<u>ELECTRICAL SHOP</u>					
Foreman, Technician		69.12	72.74	76.56	0.40
Foreman, Substation		64.80	68.20	71.78	0.40
Foreman, Power System					
Electrician		64.80	68.20	71.78	0.40
Power System Electrician		57.60	60.62	63.80	0.40
Meter Relay Technician IV (CL)		66.24	69.71	73.37	0.40
Meter Relay Technician III		63.36	66.68	70.18	0.40
Meter Relay Technician II		60.48	63.65	66.99	0.40
Meter Relay Technician I		57.60	60.62	63.80	0.40
Station Operator		57.60	60.62	63.80	0.40
Meterman		57.60	60.62	63.80	0.40
#Power System Electrician					
Trainee		42.66	44.90	47.26	0.40
*Meter Technician Apprentice		42.66	44.90	47.26	0.40
—— (same progression as Apprentice)					

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#Groundman					
	Thereafter	33.23	34.23	36.03	0.40
	3rd 6 months	30.48	31.39	33.04	0.40
	2nd 6 months	27.69	28.52	30.02	0.40
	1st 6 months	25.39	26.15	27.52	0.40

**Electric Shop Inspector-II		64.80	68.20	71.78	0.40
**Electric Shop Inspector-I		67.60	60.62	63.80	0.40

TELECOMMUNICATIONS TECHNICIANS

Electronic--Foreman		69.12	72.74	76.56	0.40
Electronic Technician-IV (CL)		66.24	69.71	73.37	0.40
Electronic Technician-III		63.36	66.68	70.18	0.40
Electronic Technician-II		60.48	63.65	66.99	0.40
Electronic Technician-I		57.60	60.62	63.80	0.40

#Fiber Network Technician Supervising Foreman		59.44	62.56	65.84	0.25
Fiber Network Technician Foreman		55.72	58.65	61.73	0.25
Fiber Network Technician		49.53	52.13	54.87	0.25

**Fiber Network Inspector-II		55.72	58.65	61.73	0.25
**Fiber Network Inspector-I		49.53	52.13	54.87	0.25

Fiber Technician-Apprentice-4		45.82	48.22	50.75	0.25
Fiber Technician-Apprentice-3		43.34	45.61	48.01	0.25
Fiber Technician-Apprentice-2		40.86	43.01	45.27	0.25
Fiber Technician-Apprentice-1		38.39	40.40	42.52	0.25
Fiber Technician-Trainee		37.15	39.10	41.15	0.25

DISPATCHING

Power:					
#Senior System Operator		81.78	86.07	90.59	0.20
#System Operator-Trainee-IV		69.04	72.66	76.47	0.20
#System Operator-Trainee-III		64.72	68.12	71.70	0.20
#System Operator-Trainee-II		63.41	66.74	70.24	0.20
#System Operator-Trainee-I		57.60	60.62	63.80	0.20

POWER PLANT OPERATIONS

#Power Plant Operator, Chief		69.12	72.74	76.56	0.65
Power Plant Operator, Senior		64.80	68.20	71.78	0.65
Power Plant Operator		57.60	60.62	63.80	0.65
#Power Plant Operator Trainee		42.66	44.90	47.26	0.65

POWER PLANT MAINTENANCE

#Supervising Power Plant Foreman		69.12	72.74	76.56	0.85
Foreman, Power Plant Mechanic		66.24	69.71	71.78	0.85
Foreman, Power Plant Electrician		66.24	69.71	73.37	0.85

Foreman, Hydro Mechanic		64.80	68.20	71.78	0.85
Foreman, Electrician		64.80	68.20	71.78	0.85
Mechanic, Hydro		57.60	60.62	63.80	0.85
Electrician		57.60	60.62	63.80	0.85
Toolman		43.69	45.00	46.35	0.65
#Mechanic Trainee		42.66	44.90	47.26	0.65
#Electrician Trainee		42.66	44.90	47.26	0.65

*Hydro Maintenance Assistant	Thereafter	34.17	35.20	36.26	0.65
	3rd-6 months	28.98	29.85	30.75	0.65
	2nd-6 months	23.68	24.39	25.12	0.65
	1st-6 months	18.47	19.02	19.59	0.65

Instrument & Control Technician (CL)	I&C Tech, Sr.	69.12	72.74	76.56	0.70
	I&C Tech-IV	66.24	69.74	73.37	0.70
	I&C Tech-III	63.36	66.68	70.18	0.70
	I&C Tech-II	60.48	63.65	66.99	0.70
	I&C Tech-I	57.60	60.62	63.80	0.70

#Hydro Planner-Mechanical (CL)	Thereafter	66.24	69.74	73.37	0.60
	2nd-12 months	63.36	66.68	70.18	0.60
	1st-12 months	61.63	64.86	68.27	0.60

#Hydro Planner-Electrical (CL)	Thereafter	66.24	69.74	73.37	0.60
	2nd-12 months	63.36	66.68	70.18	0.60
	1st-12 months	61.63	64.86	68.27	0.60

ENVIRONMENTAL AFFAIRS

#*Fish & Wildlife Specialist					
Foreman		44.09	45.41	46.77	0.65
#/#Fish & Wildlife Specialist	Step-4	38.33	39.48	40.66	0.65
	*Step-3	36.42	37.51	38.64	0.65
	*Step-2	34.52	35.56	36.63	0.65
	*Step-1	30.66	31.58	32.53	0.65

-Fish Counters	Thereafter	25.09	25.84	26.62	0.40
	1st Season	22.43	23.10	23.79	0.40

LRM Foreman		44.09	45.41	46.77	0.55

*LRM Worker	Step-3	38.33	39.48	40.66	0.55
	Step-2	36.42	37.51	38.64	0.55
	Step-1	34.52	35.56	36.63	0.55
	Entry-level	30.66	31.58	32.53	0.55

*LRM Aide	Thereafter	22.53	23.24	23.94	0.10
	2nd-6 mo	18.93	19.50	20.09	0.10
	1st-6 mo	17.66	18.19	18.74	0.10

#*Hazardous Waste Technician-II		TBD	TBD	TBD	0.65
#*Hazardous Waste Technician-I		54.82	56.46	58.15	0.65

#Environmental Affairs					
Planner-(CL)					
Planner-II		56.46	58.15	59.89	0.65
Planner-I		54.82	56.46	58.15	0.65

<u>FACILITIES</u>					
Facilities Electrician, Foreman		64.80	68.20	71.78	0.55
Facilities Electrician, Journeyman		57.60	60.62	63.80	0.55
Building Maintenance Worker		42.41	43.68	44.99	0.55
*Facilities Serviceman					
	Thereafter	31.47	32.41	33.38	0.55
	2nd 6 months	27.69	28.52	29.38	0.55
	1st 6 months	25.39	26.15	26.93	0.55
*Facilities Custodian					
	Thereafter	22.53	23.21	23.91	0.10
	2nd 6 months	19.81	20.40	21.01	0.10
	1st 6 months	17.10	17.61	18.14	0.10

<u>OTHER</u>					
Service Expeditor		57.56	59.29	61.07	0.25
Courier		23.09	23.78	24.49	0.10

<u>FLEET SERVICES (CL)</u>					
Fleet Services Foreman		50.74	52.26	53.83	0.25
Fleet Utility Equip Mech-III		45.10	46.45	47.84	0.25
Fleet Utility Equip Mech-II		42.29	43.56	44.87	0.25
Fleet Utility Equip Mech-I		39.34	40.52	41.74	0.25
Fleet Utility Parts Specialist-III		40.64	41.86	43.12	0.25
Fleet Utility Parts Specialist-II		37.90	39.04	40.21	0.25
Fleet Utility Parts Specialist-I		34.62	35.66	36.73	0.25
Fleet Utility Serviceman-II					
	Thereafter	34.62	35.66	36.73	0.25
	3rd 6 months	32.35	33.32	34.32	0.25
	2nd 6 months	30.05	30.95	31.88	0.25
	1st 6 months	27.69	28.52	29.38	0.25
*Fleet Utility Serviceman-I					
	Thereafter	23.09	23.78	24.49	0.25
	1st 6 months	20.84	21.47	22.11	0.25

<u>APPRENTICES</u>					
#Apprentice					
	Step-7	52.59	55.35	58.26	0.65
	Step-6	50.95	53.62	56.44	0.65
	Step-5	49.26	51.85	54.57	0.65
	Step-4	47.62	50.12	52.75	0.65
	Step-3	45.95	48.36	50.90	0.65
	Step-2	44.25	46.57	49.01	0.65
	Step-1	42.66	44.90	47.26	0.65

<u>CUSTOMER SERVICE</u>					
## Customer Accounting					
Representative II-(CL)		37.27	38.39	39.54	0.25

## Customer Accounting Representative-I		35.01	36.06	37.14	0.25
*Customer Service Representative (CL)					
#*CSR-V		34.56	35.60	36.67	0.25
—**CSR-IV	Thereafter	33.29	34.29	35.32	0.25
—**CSR-III	3rd-6 months	30.59	31.51	32.46	0.25
—**CSR-II	2nd-6 months	28.04	28.88	29.75	0.25
—**CSR-I	1st-6 months	23.54	24.25	24.98	0.25

ENGINEERING TECHNICIAN-POWER

PRODUCTION (CL)

#* PP Sr. Engineering Technician		50.32	51.83	53.38	0.50
PP Engineering Technician-V		47.46	48.88	50.35	0.50
PP Engineering Technician-IV		42.61	43.89	45.21	0.50
PP Engineering Technician-III		39.96	41.16	42.39	0.50
PP Engineering Technician-II		37.57	38.70	39.86	0.50
PP Engineering Technician-I					
	2nd-6 Months	36.30	37.39	38.51	0.50
	1st-6 Months	34.51	35.55	36.62	0.50
*PP Engineering Technician Trainee					
	2nd-6 Months	29.67	30.56	31.48	0.50
	1st-6 Months	28.56	29.42	30.30	0.50

ENGINEERING TECHNICIAN-POWER

DELIVERY (CL)

#*PD Sr. Engineering Technician		50.32	51.83	53.38	0.50
PD Engineering Technician-V		47.46	48.88	50.35	0.50
PD Engineering Technician-IV		42.61	43.89	45.21	0.50
PD Engineering Technician-III		39.96	41.16	42.39	0.50
PD Engineering Technician-II		37.57	38.70	39.86	0.50
PD Engineering Technician-I					
	2nd-6 Months	36.30	37.39	38.51	0.50
	1st-6 Months	34.51	35.55	36.62	0.50
*PD Engineering Technician Trainee					
	2nd-6 Months	29.67	30.56	31.48	0.50
	1st-6 Months	28.56	29.42	30.30	0.50

ENGINEERING TECHNICIAN-CUSTOMER

SVC (CL)

#*CS Sr. Engineering Technician		50.32	51.83	53.38	0.50
CS Engineering Technician-V		47.46	48.88	50.35	0.50
CS Engineering Technician-IV		42.61	43.89	45.21	0.50
CS Engineering Technician-III		39.96	41.16	42.39	0.50
CS Engineering Technician-II		37.57	38.70	39.86	0.50
CS Engineering Technician-I					
	2nd-6 Months	36.30	37.39	38.51	0.50
	1st-6 Months	34.51	35.55	36.62	0.50
*Engineering Technician Trainee					
	2nd-6 Months	29.67	30.56	31.48	0.50
	1st-6 Months	28.56	29.42	30.30	0.50

WAREHOUSE (CL)

Materials Specialist Foreman		42.87	44.16	45.48	0.50

****Materials Specialist**

Thereafter	38.05	39.19	40.37	0.50
4th 6 months	34.65	35.69	36.76	0.50
3rd 6 months	32.35	33.32	34.32	0.50
2nd 6 months	30.03	30.93	31.86	0.50
1st 6 months	27.69	28.52	29.38	0.50

**HYDRO SUPPORT
SPECIALIST (CL)**

Hydro Support Specialist V	29.99	30.89	31.82	0.25

**ENTERPRISE
TECHNOLOGY**

Enterprise Technology Service Desk Specialist II				
Step 4	40.49	41.70	42.95	0.00
Step 3	39.24	40.42	41.63	0.00
Step 2	38.04	39.18	40.36	0.00
Step 1	36.84	37.95	39.09	0.00

Enterprise Technology Service Desk Specialist I				
Step 4	33.43	34.43	35.46	0.00
Step 3	31.31	32.25	33.22	0.00
Step 2	29.65	30.54	31.46	0.00
Step 1	27.97	28.81	29.67	0.00

SPECIAL

*Student Helper				
~Level 2	17.31	17.83	18.37	0.10
~Level 1	15.74	16.21	16.70	0.10

*Student Intern				
~Level 2	22.52	23.20	23.90	0.10
~Level 1	20.17	20.78	21.40	0.10

*On-Call Security Guards				
~Thereafter	22.62	23.30	24.00	0.10
~1st 6 months	20.89	21.52	22.17	0.10

Other Wages⁴: These wages are averaged compensation for meals (Sec. 7.3.2), stipends (Sec. 8.1.6(i)), premium pay (Sec. 8.1.11) and certifications (Sec. 8.1.12). This amount is added to the hourly wage for each straight time hour worked and will be added at double time for all overtime hours worked, and will be used as base wage to calculate all compensation and benefits.

* Entry Level Position

** Exempt from the bidding procedure where filled on a temporary basis for less than six (6) months

—# Right of selection

Bid position following automatic progression

##* Right of selection only from bargaining unit employees who bid the position/job

~ Benefit exempt

CL Career Ladder

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ARTICLE 10

CONCLUSION

10.1.1 Nothing in these rules is intended or shall be used to violate municipal ordinances, state law, or safety standards, or any other legal public requirement, nor is it intended to allow public or personal danger to continue to the detriment of either the general public, Grant PUD or the employee. Any amendment to these rules shall be recorded in detail and shall show the time, the place, the employee affected and the reason for such amendment.

10.1.2 This Agreement incorporates all prior agreements and amendments thereto and it is intended to and does supersede all such prior agreements and amendments thereto.

This Agreement is subject to the approval of the International President of the International Brotherhood of Electrical Workers.

APPROVED: _____
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY

LOCAL UNION NO. 77, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS

By: _____
General Manager/, Grant PUD Date
CEO

By: _____
Business Manager Date

By: _____
Assistant Business Manager Date

Appendix A

Appendix A – Health Benefits Summary

CURRENT HEALTH INSURANCE PROGRAM SUMMARY

The following summary of health insurance terms (see, CBA Section 5.8 and subparts) apply under the Collective Bargaining Agreement, unless otherwise amended:

Plan Year	January 1 through December 31
Medical Plan Options	PPO or CDHP
PPO Plan Design	
Premium Cost Split	88%/12% (Employer/Employee)
Professional Office Visit	\$25 copay per visit
Deductible	\$500 Single/\$1,500 Family (annually)
Coinsurance %	80%/20%
Out-of-Pocket Limit (OOP)	\$2,000 Single/\$6,000 Family (annually)
<i>(OOP Limit includes deductible, copays, coinsurance, RX copays & RX coinsurance)</i>	
Prescription Tiers	Generic/Brand/3rd Tier
Cost per Tier	
Retail (up to 30-day supply)	\$10/25/50 copay per RX
Mail Order (up to 90-day supply)	\$10/50/100 copay per RX
CDHP Plan Design	
Premium	\$20 per month for all tiers ¹ ;
Annual HRA Contribution	Employee \$500/Spouse \$500/Child(ren) \$250
Professional Office Visit	Deductible/Coinsurance
Deductible	\$1,100 Single/\$2,200 Family (annually)
Coinsurance %	80%/20%
Out-of-Pocket Limit (OOP)	\$3,200 Single/\$6,400 Family (annually)
<i>(OOP Limit includes deductible, copays, coinsurance, RX copays & RX coinsurance)</i>	
Prescription Tiers	Generic/Brand/3rd Tier
Cost per Tier	
Retail (up to 30-day supply)	Deductible/Coinsurance (shared with medical)
Mail Order (up to 90-day supply)	Deductible/Coinsurance (shared with medical)

PPO and CDHP Plans:

Virtual Care	\$10 copay per visit
<i>(General medical, mental health and substance abuse disorder)</i>	
Centers of Excellence	Deductible/Coinsurance waived for covered
	services; travel benefit (\$7,500) included,
	subject to IRS limits and plan requirements.

Plan Options Rate Structure: Tiered Rate (4 Tiers)¹

¹ The four (4) tiers for rates are: (1) Employee only, (2) Employee and Spouse, (3) Employee and Child(ren), and (4) Employee and Family. The UIP's benefits consultant will continue to provide to the UIP trustees recommendations for the new four (4) tiered rates. CWPU shall inform the Union of the new rates prior to implementation.

Medical Plan Design: Coverage for medical may be waived for dependents. Coverage for dental and vision may be waived by employees and dependents. Different tiers of coverage may be elected between medical, dental and vision plans. However, in order for dependents to elect dental and/or vision, the employee must also elect the same dental or vision coverage.

Employee contributions for vision and dental plans will be consistent with the employee monthly premium contribution percentage associated with the PPO Medical plan when an employee elects PPO as the medical plan. When the employee elects the CDHP as the medical plan, the employee shall not pay a monthly premium contribution for any tier elected in the vision plan or the dental plan.

HRA VEBA Wellness Contribution: \$150 monthly HRA VEBA contribution for employees who voluntarily participate in the employer provided wellness program.

Enrollment: The CDHP option will be the "auto enroll" plan; HRA VEBA contribution associated with CDHP enrollment to be contributed within sixty (60) days of election or auto enrollment in CDHP. VEBA contributions to be made to a "standard" VEBA, which allows for access to funds for qualified purposes while still employed.

Long-Term Disability Plan:

The employee shall have the option of choosing between a long-term disability Core Plan and Buy-Up Plan. The Core Plan provides for sixty percent (60%) of pre-disability earnings, up to \$6,300 maximum monthly benefit. The Buy-Up Plan provides for sixty-six and two-thirds percent (66 2/3%) of pre-disability earnings, up to \$10,000 maximum monthly benefit. The employee shall pay one hundred percent (100%) of group long-term disability insurance, by payroll deduction. The premium amount is based on the employee's straight time base wages.

1. Current Health Insurance Program Summary: The following summary of health insurance terms (See, CBA Section 5.8 and subparts) apply under the Collective Bargaining Agreement, unless otherwise modified below in Section 2, New Health Insurance Program Summary:

Medical Plan Options ————— PPO or CDHP —————

PPO Plan Design-Benefit

Premium Cost Split	88%/12% (Employer/Employee)
Professional Co-Pay	\$25
Deductible	\$500 Single/\$1,500 Family
Co-Insurance %	80%/20%
Out-of-Pocket Limit	\$2,000 Single \$6,000 Family (3 or more)
Retail Prescription (per Rx)	Updated in accordance with Premera's 4-tier Essentials RX Formulary
Mail Order Rx (per Rx)	
Up to 90-Day Supply	\$10/50/100
Complex Imaging	Subject to Deductible, then plan pays 80% (No deductible)
Specialty Pharmacy Rx	Mandatory
Prior Authorization	
Step Therapy/	Program Implemented

CDHP Design-Benefits

Premium	Employee \$10/month (regardless of tier)/Remainder Employer Paid
HRA Contribution	Employee \$500/Spouse \$500/Child(ren) \$250 per Plan Year
Deductible	\$1,100 Single/\$2,200 Family
Out-of-Pocket Limit	\$3,200 Single/\$6,400 Family

Medical Plan Design Effective January 1, 2024:**PPO and CDHP Plans:**

Virtual Care (continued)	\$10 copay per visit
<i>(General medical, mental health and substance abuse disorder)</i>	
Centers of Excellence	Deductible/Coinsurance waived for covered services; travel benefit (\$7,500) included, subject to IRS limits and plan requirements.
KrowdFit Wellness Program	Discontinued unless free offering by Premera is extended beyond December 31, 2023.

CDHP Plan:

Premium	\$20 per month for all tiers ¹
Preventive drug list:	PV Core Plus

Plan Options Rate Structure Tiered Rate (4 Tiers)*

* The four (4) Tiers for Rates are: (1) Employee only, (2) Employee and Spouse, (3) Employee and Child(ren), and (4) Family. The UIP's consultant will continue to provide to the UIP Trustees recommendations for the new four (4) Tiered Rates. CWPU shall inform the Union of the new rates prior to implementation.

2. Medical Plan Design

Separate vision and dental benefit plan designs have been established to meet the ACA requirements for pediatric essential health benefits while remaining consistent with existing benefit levels. These redesigned plans have stand-alone benefit plans that include both pediatric and adult vision and dental benefits, and independent election rights.

Coverage for medical may only be waived for dependents, but coverage for dental and vision may be waived by employees and dependents. Different tiers of coverage may be elected between the medical, dental and vision plans. However, for dependents to elect dental and/or vision, the employee must also elect the same dental or vision coverage.

Employee contributions for vision and dental plans will be consistent with the employee monthly premium contribution percentage associated with the PPO Medical plan when an employee elects PPO as the medical plan. When the employee elects the CDHP as the medical plan, the employee shall not pay a monthly premium contribution for any tier elected in the vision plan or the dental plan.

Employees who do not elect coverage within the allotted time frame as a new hire will be automatically enrolled in the CDHP medical insurance option. HRA/VEBA contributions associated with CDHP enrollment will be contributed within sixty (60) days of election or auto-enrollment in CDHP. VEBA contributions will be made to a "standard" VEBA account as established by the utility, which allows for access to funds for qualified medical purposes.

Summary of Changes to Current Health (Medical & Dental) Insurance Plans

<u>Effective Date</u>	<u>Change</u>	<u>Description</u>
August 1, 2014	Medical Plan Design	Establish separate vision and dental benefit plan designs that will meet the ACA requirements for pediatric essential health benefits while remaining consistent with existing benefit levels. These redesigned plans will be stand-alone benefit plans that include both pediatric and adult vision and dental benefits, and independent election rights. Coverage for medical may only be waived for dependents, but coverage for dental and vision may be waived by employees and dependents. Different tiers of coverage may be elected between the medical, dental and vision plans. However, for dependents to elect dental and/or vision, the employee must also elect the same dental or vision coverage. Employee contributions for vision and dental plans will be consistent with the employee monthly premium contribution percentage associated with the PPO Medical plan when an employee elects PPO as the medical plan. When the employee elects the CDHP as the medical plan, the employee shall not pay a monthly premium contribution for any tier elected in the vision plan or the dental plan.
January 1, 2015	Enrollment	Establish the CDHP as the "auto-enroll" plan; HRA/VEBA contribution associated with CDHP enrollment to be contributed within sixty (60) days of election or auto-enrollment in CDHP. (VEBA contributions to be made to a "standard" VEBA, which allows for access to funds for qualified purposes while still employed.)

Appendix B

Grant PUD and the Union have executed **Letters of Agreement** from time to time during the life of the previous Collective Bargaining Agreements between the parties. The Letters of Agreement currently in effect are the following, and any Letters of Agreement not listed herein below are no longer in effect.

Grant PUD and IBEW LOCAL 77 Letters of Agreement	
LOA#:	Subject:
1	Jurisdiction - Line & Power System Electricians
4	Wanapum Employment
7	Pre-Apprentice Program Guidelines
8	Power Production Jurisdiction - Electricians and Mechanics
11	Power Production Operations - 12 Hour Rotating Shift
14	Environmental Affairs 3/12's Alternate Work Schedule
15	Grandfathered Employees - Hydro Planners
17	Nine Hour Schedule
18	PL Cash-out to HRA VEBA Upon Retirement
24	System Operator 12-Hour Shift (Dupont schedule)
25	Medical Benefits for Temporary Employees
26	Compensatory Time Off
27	Power Production Foreman Pool and Upgrades
29	Deferred Comp & Limited Assignment Employees
35	Kept on Salary
37	Lands & Rec Maintenance HQ and Schedules
44	Paid Sick Leave Administration
47	ET Service Desk Specialist I & II
49	Foreman/Chief Delegated Responsibilities
51	Supervising Foreman Agreement
52	PPE Committee
59	Security Cameras
62	Foreman Selection-Power Delivery
67	Service Desk Callout Initiation
72	Organizational Development Limited Assignment Craft Training Duties
74	Power System Electrician – Candidate Selection
75	Customer Service Shifts
81	Service Desk Shifts
84	Operations Coordinator Agreement
85	CSR Hybrid Work Agreement
91	Supervising Foreman Warehouse
92	Electric Shop Reorg Meter
93	Paydays - Payroll System Changes
94	Leadership Evaluations

Grant PUD and IBEW LOCAL 77 Letters of Agreement

LOA#:	Subject:	Date Signed:
1	Jurisdiction – Line & Power System Electricians	09/17/2019
4	Wanapum Employment	09/17/2019
5	New Engineers & Engineering Interns Hands-on Experience	09/17/2019
6	Continuous On-Call Security Guards	09/17/2019
7	Pre-Apprentice Program Guidelines	09/17/2019
8	Power Production Jurisdiction – Electricians and Mechanics	09/17/2019
9	CSR Alternate Work Schedules	09/17/2019
11	Power Production Operations – 12 Hour Rotating Shift	09/17/2019
14	Environmental Affairs 3/12's Alternate Work Schedule	03/16/2023
15	Grandfathered Employees – Hydro Planners	3/3/2023
16	Grandfathered Employees – Sec & HSS	3/3/2023
17	Nine Hour Schedule	09/17/2019
18	PL Cash-out to HRA-VEBA Upon Retirement	09/17/2019
19	Calls at Home	01/09/2020
24	System Operator 12-Hour Shift (Dupont schedule)	01/09/2020
25	Medical Benefits for Temporary Employees	09/18/2019
26	Compensatory Time Off	03/10/2026
27	Power Production Foreman Pool and Upgrades	01/09/2020
29	Deferred Comp & Limited Assignment Employees	09/18/2019
35	Kept on Salary	03/10/2023
37	Lands & Rec Maintenance HQ and Schedules	10/07/2019
44	Paid Sick Leave Administration	10/07/2019
46	Bid Eligibility	09/18/2019
47	ET Service Desk Specialist I & II	10/31/2019
48	Productivity Committee	11/07/2019
49	Foreman/Chief Delegated Responsibilities	10/15/2019
51	Supervising Foreman Agreement	11/08/2019
52	PPE Committee	01/09/2020
59	Security Cameras	06/30/2020
62	Foreman Selection Power Delivery	03/04/2024
63	Power Delivery Toolman Duties	03/03/2023
64	Power Delivery Rest Period	03/03/2023
67	Service Desk Callout Initiation	07/12/2021
70	Power Delivery Craft Training Duties	03/03/2023
72	Organizational Development Limited Assignment Craft Training Duties	03/03/2023
74	Power System Electrician – Candidate Selection	2/2/2022
75	Customer Service Shifts	3/10/2023

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Appendix C

Career Ladders that are in force and effect:

08/21/13	Power Production Engineering Technicians
04/07/16	Power Delivery Engineering Technicians
11/25/19	Materials Specialists & Foremen
09/28/12	Electronics Technicians
01/18/11	Hydro Planners
06/10/09	Fleet Services
11/06/08	I&C Technicians
09/24/08	Customer Service Representatives
07/22/08	Meter/Relay Technicians
07/22/08	Customer Service Engineering Technicians
02/22/19	Service Desk Specialists Career Ladder
04/23/18	System Operator Trainee Career Ladder

This listing does not include all correspondence between Grant PUD and the Union which may (1) interpret provisions of the Collective Bargaining Agreement; (2) be relevant in determining the meaning of such provisions; or (3) apply to individual situations as exceptions or exemptions from such provisions. The listing includes only those Letters of Agreement which amend, modify, add to, or delete from the language of the Collective Bargaining Agreement, and shall not preclude either party from utilizing other correspondence or grievance or arbitration settlements or awards for the purposes enumerated in this Paragraph. It is recognized by the parties hereto that the Letters of Agreement listed herein may be amended or superseded by the parties in negotiating a new Collective Bargaining Agreement.

RESOLUTION NO. 9122

A RESOLUTION AMENDING GRANT PUD'S CROSS-CONNECTION CONTROL PROGRAM

R e c i t a l s

1. Grant PUD owns and operates several small public water systems including Wanapum and Priest Rapids Dams and related facilities, Getty's Cove, and Moses Lake Service Center, and also owns the facilities and plumbing systems that deliver the water to the consumers; and
2. Grant PUD is responsible for providing water that meets Washington State water quality standards to all consumers occupying or visting Grant PUD's premises; and
3. Grant PUD is responsible under WAC 246-290-490 for protecting the water distribution system from contamination by the adoption and implementation of a cross-connection control program ("Program"); and
4. On January 11, 2010, the Commission adopted a Program via Resolution 8450; and
5. Grant PUD desires to update the Program for alignment with the most recent edition of the Pacific Northwest Section-American Water Works Association Cross-Connection Manual; and
6. Grant PUD leadership has reviewed the updated Program attached hereto and recommends that it be adopted.

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

Section 1. The attached Cross-Connection Control Program is hereby adopted and approved and shall be effective May 1, 2026.

Section 2. As of May 1, 2026, Resolution 8450 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of April, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

April 3, 2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Ty Ehrman, Senior Vice President Retail Operations
Fallon Long, Vice President of Shared Services **FL**
Brian Barrows, Senior Manager Transportation and Facilities
RJ Fronsman, Manager Facilities
Nick Bare, Facilities Supervisor

FROM: Joseph McDaniel, Water Sewer Specialist

SUBJECT: Revised Cross-Connection Control Program

Purpose: To request Commission approval of the attached revised Cross-Connection Control Program, effective May 1, 2026.

Discussion: Grant PUD implemented a Cross-Connection Control Program (“Program”) in January 2010 via Resolution 8450 to document compliance with WAC 246-290-490, Cross-connection control, intended to describe the mechanisms used to prevent contamination within water systems through cross connections. The attached revised Program contains updates related to WAC 246-290 -490. Legislated changes to the WAC were made in 2022 requiring “Standardized elements required for Cross Connection Programs”. This includes stronger, more explicit program requirements such as, hazard identification, backflow prevention selection regarding approved backflow devices, recordkeeping, and Enforcement procedures.

WAC 246-290-490, Section (3)(b), requires Grant PUD to adopt a resolution that (i) establish the legal authority to implement a cross-connection control program; (ii) describe the operating policies and technical provisions of the cross-connection control program; and (iii) describe the corrective actions required of consumers to comply with the purveyor's cross-connection control requirements.

Recommendation: Commission approval of the attached policy revised Cross-Connection Control Program, effective May 1, 2026.

Legal Review: See attached email.

Effective Date: 5/1/2026	Version: 2 Supersedes: 1/11/2010	Related Documents:
 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
Owner: Manager Facilities		Category: Facilities, Fleet, Equipment and Property

XX-XX-PRO-XXX - CROSS-CONNECTION CONTROL PROGRAM

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 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
Owner: Manager Facilities		Category: Facilities, Fleet, Equipment and Property

1. Scope

This program applies to all Grant PUD employees and contractors who work on and/or are responsible for Grant PUD's water distribution systems.

2. Purpose

The purpose of this Cross-Connection Control Program ("Program") is compliance with Washington State WAC 246-290-490, the Pacific Northwest Section-American Water Works Association Cross-Connection Manual ("Yellow Manual"), and Grant PUD's commitment to reduce or eliminate cross-connections, to the extent possible, to protect and prevent contamination of the public water systems owned and operated by Grant PUD. This includes protecting Grant PUD's customers by reducing any chances of backflow, back pressure or back-siphonage which causes potable and non-potable water to form cross-connections.

3. Definitions

Unless otherwise defined herein, all terms used in this Program pertaining to cross-connection control shall have the same definitions as those contained in WAC 246-290-010 of the Washington State Drinking Water Regulations and Chapter 2 of the Uniform Plumbing Code as amended for Washington State (Chapter 51-56 WAC).

4. Roles and Responsibilities

- 4.1 Manager Facilities and/or designee are responsible for preparing an inventory or list of all existing facilities located with Grant PUD and surrounding water systems owned and operated by Grant PUD, where it is known cross connections exist or may exist. Such cross connections shall be placed upon the priority list for correction beginning with those deemed to present the greatest danger to the public water supply.
- 4.2 Manager Facilities, Water Sewer Specialist, and/or designees are responsible for maintaining and promoting internal and public-facing education programs. It may consist of pamphlets, letters, notices, and meetings to explain and necessity of the requirements, implementation, and maintenance of the Program.
- 4.3 Manager Facilities, Water Sewer Specialist, and/or designees are responsible for maintaining the Program and keeping it current. Any changes or additions to the Program shall be approved by the Board of Commissioners by resolution before such changes and additions take effect.

5. Discontinuation of Water Service for Failure to Comply

Grant PUD reserves the right to discontinue water service to any customer or property that refuses to comply or is otherwise non-compliant with this Program, the State Board of Health

Effective Date: 5/1/2026	Version: 2 Supersedes: 1/11/2010	Related Documents:
 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
Owner: Manager Facilities		Category: Facilities, Fleet, Equipment and Property

Drinking Water Regulations, WAC 246-290-490, Yellow Manual, or when public safety is at risk pertaining to a known high hazard.

6. Existing Premises

Grant PUD shall inspect existing premises in the following manner:

- 6.1 To all owned and operated Grant PUD facilities shall be contacted on a degree of hazard basis, beginning with the most dangerous and well-known situations with a high potential for water contamination; and
- 6.2 Residential facilities shall be contacted if it has been established there is a potential cross connection on the premises, e.g., irrigation system, pool, or hot tub.

Refusal to allow inspection will result in the automatic requirement of backflow protection at the service meter (premise isolation) to the extent deemed necessary by Grant PUD, to have listed departments within Grant PUD to install the necessary backflow device within 20 days of notice.

7. Application of Backflow Assemblies

Grant PUD reserves the right to decide how or where a backflow prevention assembly shall be installed. Grant PUD uses the standards explained in the most current edition of the Yellow Manual. Each facility is different, and it will be up to the discretion of the Water Sewer Specialist/Cross Connection Control Program Coordinator and/or Manager Facilities how a particular hazard is addressed. Any exception to an approved installation will be documented in writing by the Water Sewer Specialist/ Cross Connection Control Coordinator.

8. Assemblies Approved for Installation

A backflow assembly is considered an approved assembly only if it appears on the list issued by the Washington State Department of Health Drinking Water Program. If it is not on this list, it is not an approved backflow prevention assembly and shall not be used. This list is updated annually and is available to be reviewed at Grant PUD for information purposes. List of approved assemblies can be requested from the Water Sewer Specialist/Cross Connection Control Coordinator.

9. Installation Requirements for Backflow Assemblies

A backflow prevention assembly shall be installed in compliance with the instructions that appeared in the latest approved edition of the PNWS-AWWA Cross Connection Control Manual ("Yellow Manual"). Only Grant PUD reserves the right to establish variances to this chapter, and any and all variances shall be on a case-by-case basis.

Effective Date: 5/1/2026	Version: 2 Supersedes: 1/11/2010	Related Documents:
 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
Owner: Manager Facilities		Category: Facilities, Fleet, Equipment and Property

10. Testing Procedures

If a backflow test report is filled out properly with all the information required by Grant PUD, it shall be filed as a completed test report. It is up to the State of Washington to monitor and train the Certified Backflow Assembly Testers in the various test procedures available. The testing procedures shall be those methods that are approved and acceptable to the State Department of Health and Grant PUD.

11. Qualifications for Backflow Assembly Testers

Only State-certified Backflow Assembly Testers may submit tests to Grant PUD. They shall also submit proof of possessing a current Certified Backflow Assembly Tester card (or other approved tester certification accepted by and recognized by the State Department of Health) for the calendar year in which they are testing. The current Certified Backflow Assembly Testers shall also show proof that the equipment being used to test has been calibrated within one year prior to the test they are submitting. If a Certified Backflow Assembly Tester cannot or will not meet these requirements, the test report will be returned to the testers, and their customers will be notified.

12. Testing of Backflow Assemblies

All backflow prevention assemblies required by Grant PUD shall be tested annually at a minimum and upon installation or relocation and/or after repair. Grant PUD performs testing of backflow assemblies owned by Grant PUD however, it may elect to contract for testing as needed.

13. Annual Testing

Grant PUD shall send notification at the beginning of the month to listed PUD departments whose test is due. The test report is due by the end of the month or thirty (30) days from the date of the notification. If the test is not submitted, Grant PUD will send a second "reminder" notice. This letter shall allow fifteen (15) days to submit the test. If the test is still not submitted, Grant PUD shall send a "final" notice. This notice will have a final due date. If the report still is not received by Grant PUD by the final due date, the Water Sewer Specialist/Cross Connection Control Coordinator will arrange for certified tester from the approval list of testers. Notice about such an incident will be reported to the dept. supervisor of that department. This complete process shall not exceed a total of sixty (60) days.

14. List of Testers

Grant PUD shall maintain a list of Certified Backflow Assembly Testers to be available to all departments. Grant PUD does not promote one tester/company over another. The requirements for a tester/company to be on the list are (1) is licensed with the State of Washington; (2) has up-to-date certified backflow assembly tester(s) employed by the

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 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
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company; (3) has all testing equipment calculated annually and will provide certified copies; (4) is bonded as a general or specialty contractor, (5) carries at least \$500,000.00 in liability insurance, and (6) has no reported issues or complaints from customers or non-compliance with this policy. Companies will be listed in alphabetical order (from A to Z) on Grant PUD's list. Once a company is removed from the list, they will no longer be eligible to be a part of Grant PUD's list. A company may be removed for failure to submit annual documentation of status, failure to submit test reports on time, failure to obtain permits, poor workmanship, customer complaints, or any other activities deemed harmful to Grant PUD or its customers. Recommendation by the Water Sewer Specialists/Cross Connection Control Coordinator to remove a tester/company based on received complaints from PUD staff shall be reviewed by the Manager Facilities. He/she shall ask for a meeting with the company and the Water Sewer Specialist/Cross Connection Control Program Coordinator. Depending on the outcome of that meeting, Grant PUD Manager Facilities will then decide if a company is to be suspended for a period of time or permanently banned from Grant PUD's list. Grant PUD's list is a convenience/service for PUD staff and the certified testers/testing companies. Grant County PUD always reserves the right of refusal pertaining to this list. For unresolved disputes between the Cross Connection Control Program Coordinator and the tester or testing company, the tester or company has the right to have the Manager Facilities evaluate and make a final decision on the dispute. A written explanation of the situation shall be submitted to the Manager Facilities within thirty (30) days of final decision by the Water Sewer Specialist/Cross Connection Control Coordinator. This document shall be submitted by regular and certified mail. The Manager Facilities will then schedule a meeting with the tester/company and Water Sewer Specialists/Cross Connection Control Coordinator. This meeting shall be scheduled not more than sixty (60) days from receipt date of the certified letter. Any decision made by the Manager Facilities may appeal to the General Manager/CEO and or Board of Commissioners at the next open public meeting or on an otherwise agreed upon date and time.

15. Inspections

The term "inspection" means to visually look at the installation of a backflow assembly. Grant PUD shall inspect all backflow installations. A forty-eight (48) hour notice is required. Inspections are by appointment only with the Water Sewer Specialists/Cross Connection Control Coordinator. An inspection cannot be scheduled prior to obtaining a permit (if applicable). PUD reserves the right to inspect all points of connection, even if it means delaying the backfilling of a ditch or the granting of occupancy permit approval until inspection is completed.

16. "Cut and Capped" (Severed and/or Disconnected) Systems

When an irrigation system is not in use, the backflow assembly will still be required to be tested annually. The only way to waive the requirement for a test is to physically sever the system. Grant PUD will inspect the point where the system is severed and/or disconnected and photograph it. Grant PUD will periodically check on "cut and capped" to verify (severed and/or disconnected) systems. If they are found to be in use, the customer will receive notice

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 PROGRAM		
Approved by: Commission		Regulation: Resolution XXXX, WAC 246-290-490
Owner: Manager Facilities		Category: Facilities, Fleet, Equipment and Property

from Grant PUD. Grant PUD will then give the customer the option of installing a backflow assembly or severing the line again. Grant PUD reserves the right to discontinue water service if the problem cannot be resolved. The same policy and procedures would apply to certain fixtures in a domestic/industrial situation. The fixture not in use would have to be severed and possibly removed from the premises if Grant PUD deems it might be connected and used. This would always be evaluated on the potential degree of hazard involved.

17. Compliance

Any cross connection discovered in any part of Grant PUD's water system that, in the judgement of the Manager Facilities and/or position of authority level designee, could be a danger to the water quality, is hereby declared to be unlawful until a backflow prevention assemble is installed, inspected, and found to be in compliance with WAC 246-290-490 and the Yellow Manual.

18. Review/Revision History

Effective Date	Description
1/11/2010	Initial Effective Date
5/1/2026	Revisions related to 2022 WAC Standardized elements required for Cross Connection Programs.